

City of Marquette, Michigan

NONMAJOR GOVERNMENTAL FUNDS

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

SPECIAL REVENUE FUNDS

The function of the Special Revenue Funds is to record revenue and expenditures for specific functions or activities within restrictions imposed by City Charter, ordinances, resolutions and/or Federal and State statutes. The modified accrual basis of accounting is used in recording Special Revenue Fund transactions.

ENVIRONMENTAL PROTECTION FUND: To account for the State of Michigan Site Reclamation Grant to be used for the environmental clean-up of City owned property at the corner of Washington and McClellan.

CRIMINAL JUSTICE TRAINING FUND: To account for the funds received from the State of Michigan for the purpose of ongoing training in the police department.

MSHDA DOWNTOWN RENTAL FUND: To account for the expenditures and revenues associated with the Michigan State Housing Development Authority Downtown Rental grant.

LAKEVIEW ARENA FUND: To record revenues and expenditures associated with the operation of the Lakeview Arena facility.

DEBT SERVICE FUNDS

The function of the Debt Service Funds is to account for the accumulation of resources and payment of general obligation principal and interest from the governmental resources. The modified accrual basis of accounting is used in recording Debt Service Fund transactions.

1998 BUILDING AUTHORITY MUNICIPAL CENTER DEBT SERVICE FUND: This fund was established in 1999 to account for the retirement of the 1998 Building Authority Refunding Bonds. These bonds, totaling \$4,535,000, were issued to advance refund a portion of the 1991 Building Authority Bonds.

1998 BUILDING AUTHORITY LAKEVIEW ARENA DEBT SERVICE FUND: This fund was established in 1999 to account for the retirement of the 1998 Building Authority Bonds – Lakeview Arena. These bonds, totaling \$1,000,000, were issued for the purpose of defraying the cost of renovating, constructing, furnishing, and equipping improvements to the existing Lakeview Arena building.

2003 FOUNDERS LANDING DEBT SERVICE FUND: This fund was established in 2004 to account for the retirement of the 2003 General Obligation Bonds. These bonds, totaling \$3,935,000, were issued for the purpose of reimbursing the City for certain costs relating to the acquisition of waterfront property for the City's park system, and paying the costs of designing, engineering, acquiring, preparing, constructing and equipping various park improvements.

2004 SPRING STREET DEBT SERVICE FUND: This fund was established in 2004 to account for the annual payments on the State Infrastructure Bank Note. This note was originally issued for \$1,243,100 for the purpose of financing transportation infrastructure improvements through the County Road (CR) 550 Flood Repair and Spring Street Reconstruction project.

PERMANENT FUNDS

The function of Permanent Funds is to account for funds where only the interest earnings may be used. The principal cannot be spent. The accrual basis of accounting is used in recording Permanent Fund transactions.

CEMETERY FUND: This fund is used to account for monies received for care of cemetery lots. The principal amount must be maintained intact and invested. Interest earnings are used to offset the City's cost of the cemetery maintenance.

City of Marquette, Michigan

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

June 30, 2005

	Special Revenue Funds	Debt Service Funds	Permanent Funds	Total
ASSETS				
Cash and cash equivalents	\$ 45,448	\$ -	\$ 528,199	\$ 573,647
Accounts receivable, net	36,617	-	438	37,055
Due from other funds	31,330	-	-	31,330
Due from other governments	101,160	-	-	101,160
TOTAL ASSETS	<u>\$ 214,555</u>	<u>\$ -</u>	<u>\$ 528,637</u>	<u>\$ 743,192</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES:				
Cash overdraft	\$ 42,754	\$ -	\$ -	\$ 42,754
Accounts payable	26,067	-	-	26,067
Due to other funds	70,906	-	-	70,906
TOTAL LIABILITIES	<u>139,727</u>	<u>-</u>	<u>-</u>	<u>139,727</u>
FUND BALANCE:				
Reserved for:				
Capital Outlay	30,036	-	-	30,036
Other	2,445	-	528,637	531,082
Unreserved, reported in:				
Special revenue funds	42,347	-	-	42,347
TOTAL FUND BALANCE	<u>74,828</u>	<u>-</u>	<u>528,637</u>	<u>603,465</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 214,555</u>	<u>\$ -</u>	<u>\$ 528,637</u>	<u>\$ 743,192</u>

City of Marquette, Michigan

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Fiscal Year Ended June 30, 2005

	Special Revenue Funds	Debt Service Funds	Permanent Funds	Total
REVENUES:				
State and Federal sources	\$ 78,775	\$ -	\$ -	\$ 78,775
Charges for services	5,425	-	16,589	22,014
Sales	140,391	-	-	140,391
Admission and usage	392,502	-	-	392,502
Rentals	86,986	-	-	86,986
Investment income	423	-	8,497	8,920
Other	12,866	-	-	12,866
TOTAL REVENUES	717,368	-	25,086	742,454
EXPENDITURES:				
Current operations:				
General government	-	-	438	438
Public health and safety	8,315	-	-	8,315
Community development	207,217	-	-	207,217
Recreation and culture	831,057	-	-	831,057
Capital outlay	64,515	-	-	64,515
Debt service				
Retirement of principal	-	487,873	-	487,873
Interest and fiscal charges	-	401,422	-	401,422
TOTAL EXPENDITURES	1,111,104	889,295	438	2,000,837
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(393,736)	(889,295)	24,648	(1,258,383)
OTHER FINANCING SOURCES (USES):				
Transfers in	273,611	889,295	-	1,162,906
Transfers (out)	-	-	(9,139)	(9,139)
TOTAL OTHER FINANCING SOURCES (USES)	273,611	889,295	(9,139)	1,153,767
CHANGE IN FUND BALANCE	(120,125)	-	15,509	(104,616)
Fund balance, beginning of year	194,953	-	513,128	708,081
FUND BALANCE, END OF YEAR	\$ 74,828	\$ -	\$ 528,637	\$ 603,465

City of Marquette, Michigan

NONMAJOR SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

June 30, 2005

	Environmental Protection Fund	Criminal Justice Training Fund	MSHDA Downtown Rental Fund	MSHDA Homeowner Repair Fund	Lakeview Arena Fund	Total
ASSETS						
Cash and cash equivalents	\$ -	\$ 14,556	\$ 6,856	\$ -	\$ 24,036	\$ 45,448
Accounts receivable, net	-	-	-	-	36,617	36,617
Due from other funds	-	-	-	31,330	-	31,330
Due from other governments	66,941	-	17,711	16,508	-	101,160
TOTAL ASSETS	\$ 66,941	\$ 14,556	\$ 24,567	\$ 47,838	\$ 60,653	\$ 214,555
LIABILITIES AND FUND BALANCE						
LIABILITIES:						
Cash overdraft	\$ -	\$ -	\$ -	\$ 42,754	\$ -	\$ 42,754
Accounts payable	-	548	2,901	5,084	17,534	26,067
Due to other funds	53,673	-	17,233	-	-	70,906
TOTAL LIABILITIES	53,673	548	20,134	47,838	17,534	139,727
FUND BALANCE:						
Reserved for:						
Capital Outlay	-	-	-	-	30,036	30,036
Workers' compensation	-	-	-	-	2,445	2,445
Unreserved	13,268	14,008	4,433	-	10,638	42,347
TOTAL FUND BALANCE	13,268	14,008	4,433	-	43,119	74,828
TOTAL LIABILITIES AND FUND BALANCE	\$ 66,941	\$ 14,556	\$ 24,567	\$ 47,838	\$ 60,653	\$ 214,555

City of Marquette, Michigan

NONMAJOR SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Fiscal Year Ended June 30, 2005

	Environmental Protection Fund	Criminal Justice Training Fund	MSHDA Downtown Rental Fund	MSHDA Homeowner Repair Fund	Lakeview Arena Fund	Total
REVENUES:						
State sources	\$ -	\$ 7,790	\$ -	\$ 70,985	\$ -	\$ 78,775
Charges for services	-	-	-	-	5,425	5,425
Sales	-	-	-	-	140,391	140,391
Admission and usage	-	-	-	-	392,502	392,502
Rentals	-	-	-	-	86,986	86,986
Investment income	-	423	-	-	-	423
Other	-	-	1,684	10,439	743	12,866
TOTAL REVENUES	-	8,213	1,684	81,424	626,047	717,368
EXPENDITURES:						
Current operations:						
Public health and safety	-	8,315	-	-	-	8,315
Community development	-	-	87,068	120,149	-	207,217
Recreation and culture	-	-	-	-	831,057	831,057
Capital outlay	-	-	-	-	64,515	64,515
TOTAL EXPENDITURES	-	8,315	87,068	120,149	895,572	1,111,104
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(102)	(85,384)	(38,725)	(269,525)	(393,736)
OTHER FINANCING SOURCES (USES):						
Transfers in (out)	-	-	(3,000)	34,330	242,281	273,611
TOTAL OTHER FINANCING SOURCES	-	-	(3,000)	34,330	242,281	273,611
CHANGES IN FUND BALANCE	-	(102)	(88,384)	(4,395)	(27,244)	(120,125)
Fund balance, beginning of year	13,268	14,110	92,817	4,395	70,363	194,953
FUND BALANCE, END OF YEAR	<u>\$ 13,268</u>	<u>\$ 14,008</u>	<u>\$ 4,433</u>	<u>\$ -</u>	<u>\$ 43,119</u>	<u>\$ 74,828</u>

City of Marquette, Michigan
ENVIRONMENTAL PROTECTION FUND
COMPARATIVE BALANCE SHEET
June 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>
ASSETS		
Due from State	<u>\$ 66,941</u>	<u>\$ 66,941</u>
TOTAL ASSETS	<u><u>\$ 66,941</u></u>	<u><u>\$ 66,941</u></u>
 LIABILITIES AND FUND BALANCE		
Liabilities:		
Due to other funds	<u>\$ 53,673</u>	<u>\$ 53,673</u>
TOTAL LIABILITIES	<u>53,673</u>	<u>53,673</u>
Fund Balance	<u>13,268</u>	<u>13,268</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 66,941</u></u>	<u><u>\$ 66,941</u></u>

City of Marquette, Michigan

ENVIRONMENTAL PROTECTION FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL**

For the Fiscal Year Ended June 30, 2005
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2004

	2005			2004
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
Private sources	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
TOTAL REVENUES	-	-	-	-
EXPENDITURES:				
Public Health and Safety:				
Professional and contractual services	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
CHANGE IN FUND BALANCE	-	-	-	-
Fund balance, beginning of year	13,268	13,268	-	13,268
FUND BALANCE, END OF YEAR	<u>\$ 13,268</u>	<u>\$ 13,268</u>	<u>\$ -</u>	<u>\$ 13,268</u>

City of Marquette, Michigan
CRIMINAL JUSTICE TRAINING FUND
COMPARATIVE BALANCE SHEET
June 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>
ASSETS		
Cash and cash equivalents	<u>\$ 14,556</u>	<u>\$ 14,110</u>
TOTAL ASSETS	<u><u>\$ 14,556</u></u>	<u><u>\$ 14,110</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	<u>\$ 548</u>	<u>\$ -</u>
TOTAL LIABILITIES	<u>548</u>	<u>-</u>
Fund Balance	<u>14,008</u>	<u>14,110</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 14,556</u></u>	<u><u>\$ 14,110</u></u>

City of Marquette, Michigan

CRIMINAL JUSTICE TRAINING FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL**

For the Fiscal Year Ended June 30, 2005
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2004

	2005			2004
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
State sources	\$ 8,000	\$ 7,790	\$ (210)	\$ 7,741
Investment income	500	423	(77)	323
TOTAL REVENUES	<u>8,500</u>	<u>8,213</u>	<u>(287)</u>	<u>8,064</u>
EXPENDITURES:				
Public Health and Safety:				
Training	<u>8,884</u>	<u>8,315</u>	<u>569</u>	<u>7,751</u>
TOTAL EXPENDITURES	<u>8,884</u>	<u>8,315</u>	<u>569</u>	<u>7,751</u>
CHANGE IN FUND BALANCE	<u>(384)</u>	<u>(102)</u>	<u>282</u>	<u>313</u>
Fund balance, beginning of year	<u>14,110</u>	<u>14,110</u>	<u>-</u>	<u>13,797</u>
FUND BALANCE, END OF YEAR	<u>\$ 13,726</u>	<u>\$ 14,008</u>	<u>\$ 282</u>	<u>\$ 14,110</u>

City of Marquette, Michigan
MSHDA DOWNTOWN RENTAL FUND
COMPARATIVE BALANCE SHEET
June 30, 2005 and 2004

ASSETS	<u>2005</u>	<u>2004</u>
Cash and cash equivalents	\$ 6,856	\$ 31,857
Due from other governments	<u>17,711</u>	<u>109,405</u>
TOTAL ASSETS	<u><u>\$ 24,567</u></u>	<u><u>\$ 141,262</u></u>
 LIABILITIES AND FUND BALANCE		
Liabilities:		
Due to other funds	\$ 17,233	\$ 17,233
Accounts payable	<u>2,901</u>	<u>31,212</u>
TOTAL LIABILITIES	<u>20,134</u>	<u>48,445</u>
 Fund Balance:		
Unreserved	<u>4,433</u>	<u>92,817</u>
TOTAL FUND BALANCE	<u>4,433</u>	<u>92,817</u>
 TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 24,567</u></u>	<u><u>\$ 141,262</u></u>

City of Marquette, Michigan

MSHDA DOWNTOWN RENTAL FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL**

For the Fiscal Year Ended June 30, 2005
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2004

	2005			2004
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
State sources	\$ -	\$ -	\$ -	\$ 460,673
Investment income	-	-	-	223
Other	-	1,684	1,684	35,144
TOTAL REVENUES	-	1,684	1,684	496,040
EXPENDITURES:				
Community Development:				
Salaries and wages	-	17,382	(17,382)	18,823
Fringe benefits	-	1,681	(1,681)	10,655
Other services and charges	91,000	68,005	22,995	373,745
TOTAL EXPENDITURES	91,000	87,068	3,932	403,223
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(91,000)	(85,384)	5,616	-
OTHER FINANCING (USES):				
Transfers Out - MSHDA Homeowner Repair	-	(3,000)	(3,000)	-
TOTAL OTHER FINANCING (USES)	-	(3,000)	(3,000)	-
CHANGE IN FUND BALANCE	(91,000)	(88,384)	2,616	92,817
Fund balance, beginning of year	92,817	92,817	-	-
FUND BALANCE, END OF YEAR	\$ 1,817	\$ 4,433	\$ 2,616	\$ 92,817

City of Marquette, Michigan
MSHDA HOMEOWNER REPAIR FUND
COMPARATIVE BALANCE SHEET
June 30, 2005 and 2004

ASSETS	<u>2005</u>	<u>2004</u>
Accounts receivable	\$ -	\$ 14
Due from other funds	31,330	-
Due from other governments	16,508	36,254
Prepaid expenditures	<u>-</u>	<u>34</u>
TOTAL ASSETS	<u><u>\$ 47,838</u></u>	<u><u>\$ 36,302</u></u>
 LIABILITIES AND FUND BALANCE		
Liabilities:		
Cash overdraft	\$ 42,754	\$ 31,466
Accounts payable	<u>5,084</u>	<u>441</u>
TOTAL LIABILITIES	<u>47,838</u>	<u>31,907</u>
 Fund Balance:		
Unreserved	<u>-</u>	<u>4,395</u>
TOTAL FUND BALANCE	<u>-</u>	<u>4,395</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 47,838</u></u>	<u><u>\$ 36,302</u></u>

City of Marquette, Michigan

MSHDA HOMEOWNER REPAIR FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL**

For the Fiscal Year Ended June 30, 2005

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2004

	2005			2004
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
State sources	\$ 53,000	\$ 70,985	\$ 17,985	\$ 104,628
Investment income	-	-	-	1
Other	12,000	10,439	(1,561)	7,422
TOTAL REVENUES	65,000	81,424	16,424	112,051
EXPENDITURES:				
Community Development:				
Salaries and wages	14,920	10,373	4,547	12,549
Fringe benefits	20,570	19,511	1,059	8,536
Other services and charges	74,280	90,265	(15,985)	86,571
TOTAL EXPENDITURES	109,770	120,149	(10,379)	107,656
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(44,770)	(38,725)	6,045	-
OTHER FINANCING SOURCES:				
Transfers In - General Fund	-	31,330	31,330	-
Transfers In - MSHDA Downtown Rental Fund	-	3,000	3,000	-
TOTAL OTHER FINANCING SOURCES	-	34,330	34,330	-
CHANGE IN FUND BALANCE	(44,770)	(4,395)	40,375	4,395
Fund balance, beginning of year	4,395	4,395	-	-
FUND BALANCE, END OF YEAR	\$ (40,375)	\$ -	\$ 40,375	\$ 4,395

City of Marquette, Michigan

LAKEVIEW ARENA FUND

COMPARATIVE BALANCE SHEET

June 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>
ASSETS		
Cash and cash equivalents	\$ 24,036	\$ 24,036
Accounts receivable	36,617	17,241
Other assets	-	614
Due from other funds	<u>-</u>	<u>48,113</u>
TOTAL ASSETS	<u><u>\$ 60,653</u></u>	<u><u>\$ 90,004</u></u>
 LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 17,534	\$ 19,491
Deferred revenue	<u>-</u>	<u>150</u>
TOTAL LIABILITIES	<u>17,534</u>	<u>19,641</u>
Fund Balance:		
Reserved for capital outlay	30,036	25,036
Reserved for workers' compensation	2,597	2,445
Unreserved	<u>10,486</u>	<u>42,882</u>
TOTAL FUND BALANCE	<u>43,119</u>	<u>70,363</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 60,653</u></u>	<u><u>\$ 90,004</u></u>

City of Marquette, Michigan

LAKEVIEW ARENA FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL**

For the Fiscal Year Ended June 30, 2005
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2004

	2005			2004
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
Charges for services	\$ 8,000	\$ 5,425	\$ (2,575)	\$ 9,346
Sales	150,000	140,391	(9,609)	157,072
Use and Admission Fees:				
Ice arena use	385,000	390,136	5,136	313,076
Arena events	23,500	2,366	(21,134)	1,295
Total Use and Admission Fees	<u>408,500</u>	<u>392,502</u>	<u>(15,998)</u>	<u>314,371</u>
Rentals	68,000	86,986	18,986	82,152
Other	13,060	743	(12,317)	5,114
TOTAL REVENUES	<u>647,560</u>	<u>626,047</u>	<u>(21,513)</u>	<u>568,055</u>
EXPENDITURES:				
Recreation and Culture:				
Personnel services	368,885	369,123	(238)	355,472
Supplies	103,270	104,183	(913)	106,383
Other services and charges	355,464	357,751	(2,287)	337,484
Total Recreation and Culture	<u>827,619</u>	<u>831,057</u>	<u>(3,438)</u>	<u>799,339</u>
Capital Outlay:				
Equipment	75,000	64,515	10,485	-
Total Capital Outlay	<u>75,000</u>	<u>64,515</u>	<u>10,485</u>	<u>-</u>
TOTAL EXPENDITURES	<u>902,619</u>	<u>895,572</u>	<u>7,047</u>	<u>799,339</u>
EXCESS OF REVENUES (UNDER) EXPENDITURES	<u>(255,059)</u>	<u>(269,525)</u>	<u>(14,466)</u>	<u>(231,284)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in- General Fund	250,373	242,281	(8,092)	257,723
TOTAL OTHER FINANCING SOURCES (USES)	<u>250,373</u>	<u>242,281</u>	<u>(8,092)</u>	<u>257,723</u>
CHANGE IN FUND BALANCE	<u>(4,686)</u>	<u>(27,244)</u>	<u>(22,558)</u>	<u>26,439</u>
Fund balance, beginning of year	70,363	70,363	-	43,924
FUND BALANCE, END OF YEAR	<u>\$ 65,677</u>	<u>\$ 43,119</u>	<u>\$ (22,558)</u>	<u>\$ 70,363</u>

City of Marquette, Michigan

NONMAJOR DEBT SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Fiscal Year Ended June 30, 2005

	1998 Municipal Service Center Fund	1998 Lakeview Arena Fund	2003 Founders Landing Fund	2004 Spring Street Fund	Total
REVENUES:					
Investment income	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-	-
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:					
Debt service					
Principal retirement	165,000	105,000	135,000	82,873	487,873
Interest and fiscal charges	213,208	22,487	165,727	-	401,422
TOTAL EXPENDITURES	<u>378,208</u>	<u>127,487</u>	<u>300,727</u>	<u>82,873</u>	<u>889,295</u>
EXCESS OF REVENUES (UNDER) EXPENDITURES	<u>(378,208)</u>	<u>(127,487)</u>	<u>(300,727)</u>	<u>(82,873)</u>	<u>(889,295)</u>
OTHER FINANCING SOURCES:					
Transfers in	378,208	127,487	300,727	82,873	889,295
TOTAL OTHER FINANCING SOURCES	<u>378,208</u>	<u>127,487</u>	<u>300,727</u>	<u>82,873</u>	<u>889,295</u>
CHANGES IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year	-	-	-	-	-
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Marquette, Michigan

1998 BUILDING AUTHORITY MUNICIPAL SERVICE CENTER - DEBT SERVICE FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL**

For the Fiscal Year Ended June 30, 2005

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2004

	2005		2004	
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
Investment income	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:				
Debt Service:				
Principal	165,000	165,000	-	160,000
Interest and fiscal charges	213,210	213,208	2	219,928
TOTAL EXPENDITURES	<u>378,210</u>	<u>378,208</u>	<u>2</u>	<u>379,928</u>
EXCESS OF REVENUES (UNDER) EXPENDITURES	<u>(378,210)</u>	<u>(378,208)</u>	<u>2</u>	<u>(379,928)</u>
OTHER FINANCING SOURCES:				
Transfers in:				
Municipal Service Center Fund	378,210	378,208	(2)	379,928
TOTAL OTHER FINANCING SOURCES	<u>378,210</u>	<u>378,208</u>	<u>(2)</u>	<u>379,928</u>
CHANGES IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

City of Marquette, Michigan

1998 BUILDING AUTHORITY LAKEVIEW ARENA - DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2005

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2004

	2005			2004
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
Investment income	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
TOTAL REVENUES	-	-	-	-
EXPENDITURES:				
Debt Service:				
Principal	105,000	105,000	-	100,000
Interest and fiscal charges	22,490	22,487	3	27,688
TOTAL EXPENDITURES	127,490	127,487	3	127,688
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(127,490)	(127,487)	3	(127,688)
OTHER FINANCING SOURCES:				
Transfers in:				
General Fund	127,490	127,487	(3)	127,688
TOTAL OTHER FINANCING SOURCES	127,490	127,487	(3)	127,688
CHANGES IN FUND BALANCE	-	-	-	-
Fund balance, beginning of year	-	-	-	-
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ -	\$ -

City of Marquette, Michigan

2003 FOUNDERS LANDING - DEBT SERVICE FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL**

For the Fiscal Year Ended June 30, 2005
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2004

	2005			2004
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
Investment income	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
TOTAL REVENUES	-	-	-	-
EXPENDITURES:				
Debt Service:				
Principal	135,000	135,000	-	100,000
Interest and fiscal charges	165,730	165,727	3	27,688
TOTAL EXPENDITURES	300,730	300,727	3	127,688
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(300,730)	(300,727)	3	(127,688)
OTHER FINANCING SOURCES:				
Transfers in:				
General Fund	300,730	300,727	(3)	127,688
TOTAL OTHER FINANCING SOURCES	300,730	300,727	(3)	127,688
CHANGES IN FUND BALANCE	-	-	-	-
Fund balance, beginning of year	-	-	-	-
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ -	\$ -

City of Marquette, Michigan

2004 SPRING STREET - DEBT SERVICE FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL**

For the Fiscal Year Ended June 30, 2005
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2004

	2005			2004
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
REVENUES:				
Investment income	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
TOTAL REVENUES	-	-	-	-
EXPENDITURES:				
Debt Service:				
Principal	82,874	82,873	1	100,000
Interest and fiscal charges	-	-	-	27,688
TOTAL EXPENDITURES	82,874	82,873	1	127,688
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(82,874)	(82,873)	1	(127,688)
OTHER FINANCING SOURCES:				
Transfers in:				
General Fund	82,874	82,873	(1)	127,688
TOTAL OTHER FINANCING SOURCES	82,874	82,873	(1)	127,688
CHANGES IN FUND BALANCE	-	-	-	-
Fund balance, beginning of year	-	-	-	-
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ -	\$ -

City of Marquette, Michigan

CEMETERY FUND

COMPARATIVE BALANCE SHEET

June 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>
ASSETS		
Cash and cash equivalents	\$ 528,199	\$ 512,703
Accounts receivable	<u>438</u>	<u>425</u>
TOTAL ASSETS	<u>\$ 528,637</u>	<u>\$ 513,128</u>
 FUND BALANCE		
Reserved for Cemetery	<u>\$ 528,637</u>	<u>\$ 513,128</u>
TOTAL FUND BALANCE	<u>\$ 528,637</u>	<u>\$ 513,128</u>

City of Marquette, Michigan

CEMETERY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Fiscal Year Ended June 30, 2005

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2004

	<u>2005</u>	<u>2004</u>
REVENUES:		
Charges for services	\$ 16,589	\$ 13,950
Investment income	<u>8,497</u>	<u>10,033</u>
TOTAL REVENUES	<u>25,086</u>	<u>23,983</u>
EXPENDITURES:		
Current operations:		
General government	<u>438</u>	<u>100</u>
TOTAL EXPENDITURES	<u>438</u>	<u>100</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>24,648</u>	<u>23,883</u>
OTHER FINANCING (USES):		
Transfers (out)	<u>(9,139)</u>	<u>(17,760)</u>
TOTAL OTHER FINANCING (USES)	<u>(9,139)</u>	<u>(17,760)</u>
CHANGE IN FUND BALANCE	15,509	6,123
Fund balance, beginning of year	<u>513,128</u>	<u>507,005</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 528,637</u></u>	<u><u>\$ 513,128</u></u>

City of Marquette, Michigan

ENTERPRISE FUNDS

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

The function of the Enterprise Funds is to record the financing, acquisition, operation and maintenance of City activities that are predominantly self-supporting from user charges.

The accrual basis of accounting is used in recording Enterprise Fund transactions.

The Nonmajor Enterprise Funds of the City are the Marina and Intermodal Transportation Funds. The Major Enterprise Funds of the City are the Water Supply and Sewage Disposal, and Stormwater Utility Funds.

MARINA FUND: To account for activity at the City operated marinas.

INTERMODAL TRANSPORTATION TERMINAL FUND: To account for operation of the City owned transportation terminal used by the County-wide Mass Transit Bus System.

WATER SUPPLY AND SEWAGE DISPOSAL FUND: To account for water and sewer usage.

STORMWATER UTILITY FUND: To account for the management of stormwater related activities including billing, maintenance and construction.

City of Marquette, Michigan

NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF NET ASSETS

June 30, 2005

	Marina Fund	Intermodal Transportation Terminal Fund	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 400	\$ -	\$ 400
Accounts receivable	1,896	-	1,896
Due from other funds	-	379,951	379,951
Unamortized bond issue costs	7,966	-	7,966
Inventory	18,839	-	18,839
TOTAL CURRENT ASSETS	29,101	379,951	409,052
Noncurrent Assets:			
Restricted Assets:			
Bond Reserve Fund	180,284	-	180,284
Bond and Interest Redemption Fund	150,849	-	150,849
Total Restricted Assets	331,133	-	331,133
Land and land improvements	-	102,500	102,500
Property, plant, and equipment	3,774,598	1,939,625	5,714,223
Accumulated depreciation	(1,302,332)	(767,119)	(2,069,451)
TOTAL NONCURRENT ASSETS	2,803,399	1,275,006	4,078,405
TOTAL ASSETS	2,832,500	1,654,957	4,487,457
LIABILITIES			
Current Liabilities:			
Cash overdraft	-	56,654	56,654
Accounts payable	19,452	3,915	23,367
Due to other funds	168,673	208,299	376,972
Due to other local units	-	111,083	111,083
Customer deposits payable	8,291	-	8,291
Current portion of long-term debt	70,000	-	70,000
Accrued interest payable	3,333	-	3,333
TOTAL CURRENT LIABILITIES	269,749	379,951	649,700
Noncurrent Liabilities:			
Bonds payable	600,000	-	600,000
Deferred amounts on refunding	(30,303)	-	(30,303)
TOTAL NONCURRENT LIABILITIES	569,697	-	569,697
TOTAL LIABILITIES	839,446	379,951	1,219,397
NET ASSETS			
Invested in capital assets net of related debt	1,802,266	1,275,006	3,077,272
Unrestricted	190,788	-	190,788
TOTAL NET ASSETS	\$ 1,993,054	\$ 1,275,006	\$ 3,268,060

City of Marquette, Michigan

NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

For the Fiscal Year Ended June 30, 2005

	Marina Fund	Intermodal Transportation Terminal Fund	Total
OPERATING REVENUES:			
Charges for services	\$ 839	\$ 63,281	\$ 64,120
Other	258,101	682	258,783
TOTAL OPERATING REVENUES	258,940	63,963	322,903
OPERATING EXPENSES:			
General and administrative	202,233	117,384	319,617
Depreciation	135,517	38,793	174,310
TOTAL OPERATING EXPENSES	337,750	156,177	493,927
OPERATING (LOSS)	(78,810)	(92,214)	(171,024)
NON-OPERATING REVENUES (EXPENSES):			
Investment income	5,121	-	5,121
Interest expense	(27,036)	-	(27,036)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(21,915)	-	(21,915)
(LOSS) BEFORE TRANSFERS	(100,725)	(92,214)	(192,939)
Transfers in	40,565	379,951	420,516
CHANGE IN NET ASSETS	(60,160)	287,737	227,577
Net assets, beginning of year	2,053,214	987,269	3,040,483
NET ASSETS, END OF YEAR	\$ 1,993,054	\$ 1,275,006	\$ 3,268,060

City of Marquette, Michigan

NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS

For the Fiscal Year Ended June 30, 2005

	Marina Fund	Intermodal Transportation Terminal Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from fees and charges for services	\$ 255,511	\$ 63,281	\$ 318,792
Other operating revenues	1,533	682	2,215
Cash payments to employees for services	(57,729)	(27,656)	(85,385)
Cash payments to suppliers for goods and services	(136,360)	(88,200)	(224,560)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	62,955	(51,893)	11,062
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in	40,565	379,951	420,516
(Decrease) in due to local units	-	(27,750)	(27,750)
(Increase) in due from other funds	-	(379,951)	(379,951)
Increase in due to other funds	-	31,600	31,600
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	40,565	3,850	44,415
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Interest paid on bonds	(24,232)	-	(24,232)
Principal payments on bonds	(75,000)	-	(75,000)
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(99,232)	-	(99,232)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest income	5,121	-	5,121
(Increase) in restricted assets - Marina bonds	(5,121)	-	(5,121)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	-	-	-
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	4,288	(48,043)	(43,755)
Cash and cash equivalents, beginning of year	(3,888)	(8,611)	(12,499)
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 400	\$ (56,654)	\$ (56,254)
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating (loss)	\$ (78,810)	\$ (92,214)	\$ (171,024)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	135,517	38,793	174,310
Amortization	920	-	920
Change in assets and liabilities:			
(Increase) in accounts receivable	(1,896)	-	(1,896)
Decrease in inventory	302	-	302
Decrease in prepaid expenses	461	-	461
Increase in deposits	650	-	650
Increase in accounts payable	7,761	1,528	9,289
(Decrease) in accrued interest payable	(1,950)	-	(1,950)
NET ADJUSTMENTS	141,765	40,321	182,086
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 62,955	\$ (51,893)	\$ 11,062

City of Marquette, Michigan

MARINA FUND

COMPARATIVE STATEMENT OF NET ASSETS

June 30, 2005 and 2004

	2005	2004
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 400	\$ -
Accounts receivable	1,896	-
Unamortized bond issue costs	7,966	8,886
Inventory	18,839	19,141
Prepaid expense	-	461
TOTAL CURRENT ASSETS	<u>29,101</u>	<u>28,488</u>
Noncurrent Assets:		
Restricted Assets:		
Bond Reserve Fund	180,284	277,396
Bond and Interest Redemption Fund	150,849	48,616
Total Restricted Assets	<u>331,133</u>	<u>326,012</u>
Property, plant and equipment	3,774,598	3,774,598
Allowance for depreciation	<u>(1,302,332)</u>	<u>(1,167,511)</u>
TOTAL NONCURRENT ASSETS	<u>2,803,399</u>	<u>2,933,099</u>
TOTAL ASSETS	<u>2,832,500</u>	<u>2,961,587</u>
LIABILITIES		
Current Liabilities:		
Cash overdraft	-	3,888
Accounts payable	19,452	11,691
Due to other funds	168,673	168,673
Customer deposits payable	8,291	7,641
Current portion of long-term debt	70,000	75,000
Accrued interest	<u>3,333</u>	<u>5,283</u>
TOTAL CURRENT LIABILITIES	<u>269,749</u>	<u>272,176</u>
Noncurrent Liabilities:		
Bonds payable	600,000	670,000
Deferred amount on refunding	<u>(30,303)</u>	<u>(33,803)</u>
TOTAL NONCURRENT LIABILITIES	<u>569,697</u>	<u>636,197</u>
TOTAL LIABILITIES	<u>839,446</u>	<u>908,373</u>
NET ASSETS		
Invested in capital assets net of related debt	1,802,266	1,862,086
Unrestricted	<u>190,788</u>	<u>191,128</u>
TOTAL NET ASSETS	<u>\$ 1,993,054</u>	<u>\$ 2,053,214</u>

City of Marquette, Michigan

MARINA FUND

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2005

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2004

	2005			2004
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
OPERATING REVENUES:				
Services	\$ 400	\$ 839	\$ 439	\$ 1,356
Sales of supplies	80,000	86,731	6,731	80,502
Use and admission fees	29,500	30,721	1,221	26,572
Rentals	136,000	139,116	3,116	142,647
Other	355	1,533	1,178	1,022
TOTAL OPERATING REVENUES	246,255	258,940	12,685	252,099
OPERATING EXPENSES:				
Administrative and General Expenses:				
Personnel services	68,657	57,729	10,928	56,707
Professional services	26,358	27,257	(899)	70,698
Supplies	10,631	7,865	2,766	6,402
Utilities	18,150	15,588	2,562	18,616
Cost of sales	80,750	72,350	8,400	74,946
Other services and charges	29,993	20,524	9,469	19,030
Amortization	-	920	(920)	315
Provision for depreciation	130,000	135,517	(5,517)	134,820
TOTAL OPERATING EXPENSES	364,539	337,750	26,789	381,534
OPERATING (LOSS)	(118,284)	(78,810)	39,474	(129,435)
NONOPERATING REVENUES (EXPENSES):				
Investment income	2,050	5,121	3,071	2,011
Interest expense	(25,850)	(27,036)	(1,186)	(35,080)
TOTAL NONOPERATING REVENUES (EXPENSES)	(23,800)	(21,915)	1,885	(33,069)
(LOSS) BEFORE TRANSFERS	(142,084)	(100,725)	41,359	(162,504)
Transfers in	74,797	40,565	(34,232)	152,446
CHANGE IN NET ASSETS	(67,287)	(60,160)	7,127	(10,058)
Net assets, beginning of year	2,053,214	2,053,214	-	2,063,272
NET ASSETS, END OF YEAR	\$ 1,985,927	\$ 1,993,054	\$ 7,127	\$ 2,053,214

City of Marquette, Michigan

INTERMODAL TRANSPORTATION TERMINAL FUND

COMPARATIVE STATEMENT OF NET ASSETS

June 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ -	\$ -
Due from other funds	379,951	-
TOTAL CURRENT ASSETS	<u>379,951</u>	<u>-</u>
Noncurrent Assets:		
Land	102,500	102,500
Property, plant and equipment	1,939,625	1,939,625
Allowance for depreciation	(767,119)	(728,327)
TOTAL NONCURRENT ASSETS	<u>1,275,006</u>	<u>1,313,798</u>
TOTAL ASSETS	<u>1,654,957</u>	<u>1,313,798</u>
LIABILITIES		
Current Liabilities:		
Cash overdraft	56,654	8,610
Accounts payable	3,915	2,387
Due to other funds	208,299	176,699
Due to local units	111,083	138,833
TOTAL CURRENT LIABILITIES	<u>379,951</u>	<u>326,529</u>
TOTAL LIABILITIES	<u>379,951</u>	<u>326,529</u>
NET ASSETS		
Invested in capital assets	1,275,006	1,313,798
Unrestricted	-	(326,529)
TOTAL NET ASSETS	<u>\$ 1,275,006</u>	<u>\$ 987,269</u>

City of Marquette, Michigan

INTERMODAL TRANSPORTATION TERMINAL FUND

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2005
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2004

	2005		2004	
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
OPERATING REVENUES:				
Rentals	\$ 144,100	\$ 63,281	\$ (80,819)	\$ 144,908
Other	800	682	(118)	1,084
TOTAL OPERATING REVENUES	144,900	63,963	(80,937)	145,992
OPERATING EXPENSES:				
Administrative and General Expenses:				
Personnel services	38,400	27,656	10,744	40,328
Professional services	13,184	10,339	2,845	15,786
Supplies	1,500	1,346	154	2,650
Utilities	34,800	42,659	(7,859)	39,970
Other services and charges	57,200	35,384	21,816	35,746
Provision for depreciation	38,800	38,793	7	38,792
TOTAL OPERATING EXPENSES	183,884	156,177	27,707	173,272
OPERATING INCOME (LOSS)	(38,984)	(92,214)	(53,230)	(27,280)
NONOPERATING REVENUES:				
Investment income	-	-	-	169
TOTAL NONOPERATING REVENUES	-	-	-	169
(LOSS) BEFORE TRANSFERS	(38,984)	(92,214)	(53,230)	(27,111)
Transfers in	-	379,951	379,951	-
CHANGE IN NET ASSETS	(38,984)	287,737	326,721	(27,111)
Net assets, beginning of year	987,269	987,269	-	1,014,380
NET ASSETS, END OF YEAR	\$ 948,285	\$ 1,275,006	\$ 326,721	\$ 987,269

City of Marquette, Michigan

WATER SUPPLY AND SEWAGE DISPOSAL FUND

COMPARATIVE STATEMENT OF NET ASSETS

June 30, 2005 and 2004

	2005	2004
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 4,498,775	\$ 5,070,975
Delinquent utility bills on taxes	2,427	5,618
Customer deposits	24,020	23,368
Accounts receivable - net	823,932	911,135
Special assessments receivable	122,442	124,638
Due from state	2,649	-
Due from other governments	348,333	3,078,861
Unamortized bond issuance cost	110,565	123,238
Inventory	125,997	134,157
Prepaid expenses	-	3,525
TOTAL CURRENT ASSETS	<u>6,059,140</u>	<u>9,475,515</u>
Noncurrent Assets:		
Restricted Assets:		
Bond Reserve Fund	48,582	2,323
Replacement Maintenance Fund	390,000	390,000
Bond and Interest Redemption Fund	25,623	25,227
Water Filtration Reserve	1,109,223	1,093,655
Bond Escrow Fund	60,433	334,141
Vacation, Sick Leave and Benefit Days Reserve	163,924	149,928
Total Restricted Assets	<u>1,797,785</u>	<u>1,995,274</u>
Property, plant and equipment	42,739,598	39,487,575
Allowance for depreciation	(12,032,074)	(11,238,528)
Investment in Wastewater Facility	2,917,432	2,909,394
TOTAL NONCURRENT ASSETS	<u>35,422,741</u>	<u>33,153,715</u>
TOTAL ASSETS	<u>41,481,881</u>	<u>42,629,230</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	208,979	654,540
Accrued compensated absences	163,924	149,928
Customer deposits payable	24,020	23,368
Current portion of notes payable	19,329	18,418
Current portion of loan payable	140,000	-
Current portion of capitalized lease payable	120,866	117,089
Accrued interest payable	32,885	33,815
Deferred revenue - special assessment	122,442	124,638
TOTAL CURRENT LIABILITIES	<u>832,445</u>	<u>1,121,796</u>
Current Liabilities (payable from restricted assets):		
Current portion of bonds payable	<u>630,000</u>	<u>620,000</u>
Noncurrent Liabilities:		
Bonds payable	4,870,000	5,500,000
Notes payable	112,244	131,573
Loan payable	3,330,000	3,470,000
Capitalized leases payable	362,598	483,464
Premium on refunding	58,601	64,055
Deferred amounts on refunding	(274,664)	(311,114)
TOTAL NONCURRENT LIABILITIES	<u>8,458,779</u>	<u>9,337,978</u>
TOTAL LIABILITIES	<u>9,921,224</u>	<u>11,079,774</u>
NET ASSETS		
Invested in capital assets net of related debt	21,605,951	21,979,056
Net Assets:		
Restricted for debt service	1,633,861	1,845,346
Unrestricted	<u>8,320,845</u>	<u>7,725,054</u>
TOTAL NET ASSETS	<u>\$ 31,560,657</u>	<u>\$ 31,549,456</u>

City of Marquette, Michigan

WATER SUPPLY AND SEWAGE DISPOSAL FUND

SCHEDULE OF CHANGES IN REVENUES, EXPENSES AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2005

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2004

	2005		Variance with Final Budget Positive (Negative)	2004
	Final Budget	Actual GAAP Basis		Actual GAAP Basis
OPERATING REVENUES:				
Water:				
Metered sales	\$ 1,960,800	\$ 1,909,678	\$ (51,122)	\$ 1,937,143
Sales to public authorities	68,000	60,308	(7,692)	59,448
Non-tax customers	1,382,450	1,303,604	(78,846)	1,253,843
City departments	43,600	36,574	(7,026)	34,406
Rentals	2,000	1,387	(613)	3,273
Miscellaneous income	67,760	144,482	76,722	138,811
Sewage Disposal:				
Metered sales	1,578,500	1,511,858	(66,642)	1,524,670
Sales to public authorities	39,850	39,470	(380)	40,085
Non-tax customers	681,800	686,435	4,635	675,047
City departments	14,400	13,566	(834)	11,005
Miscellaneous income	4,000	11,468	7,468	2,403
TOTAL OPERATING REVENUES	5,843,160	5,718,830	(124,330)	5,680,134
OPERATING EXPENSES:				
Administrative and General:				
Salaries and wages	182,725	170,730	11,995	186,916
Fringe benefits	297,857	283,991	13,866	278,231
Supplies	31,900	22,230	9,670	20,945
Professional and contractual	306,754	352,294	(45,540)	481,900
Communications	2,000	1,745	255	1,826
Insurance and bonds	60,000	57,358	2,642	56,852
Utilities	635	633	2	633
Maintenance	1,000	664	336	833
Rental	27,900	24,698	3,202	26,776
Contingencies	45,000	-	45,000	-
Miscellaneous	5,200	297	4,903	2,518
Uncollectible accounts	44,500	36,875	7,625	22,075
Provision for depreciation	735,000	793,546	(58,546)	754,651
Employee safety expense	500	173	327	329
Schooling	3,000	2,669	331	2,794
Payment in lieu of taxes	666,170	680,885	(14,715)	658,340
Amortization	9,900	12,674	(2,774)	15,269
Total Administrative and General	2,420,041	2,441,462	(21,421)	2,510,888
Water Treatment and Distribution:				
Personnel services	594,359	558,660	35,699	561,242
Operating supplies	132,326	114,634	17,692	107,352
Professional and contractual	147,005	148,217	(1,212)	18,214
Communications	1,500	1,262	238	1,039
Utilities	191,600	186,785	4,815	188,527
Maintenance	2,500	106	2,394	620
Rental	259,300	218,671	40,629	213,563
Miscellaneous	5,200	-	5,200	-
Schooling	4,000	3,610	390	1,675
Total Water Treatment and Distribution	1,337,790	1,231,945	105,845	1,092,232

City of Marquette, Michigan

WATER SUPPLY AND SEWAGE DISPOSAL FUND

SCHEDULE OF CHANGES IN REVENUES, EXPENSES AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2005

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2004

	2005		2004	
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
Sanitary Sewer Operation and Booster Stations:				
Personnel services	\$ 226,065	\$ 226,593	\$ (528)	\$ 186,447
Operating supplies and repairs	44,196	57,102	(12,906)	33,916
Professional and contractual	366,201	340,039	26,162	9,734
Communications	3,000	7,266	(4,266)	3,568
Utilities	31,800	36,402	(4,602)	31,105
Purchased wastewater services	1,251,010	1,071,017	179,993	1,103,018
Rental	186,200	198,311	(12,111)	184,348
Total Sanitary Sewer Operation and Booster Stations	2,108,472	1,936,730	171,742	1,552,136
TOTAL OPERATING EXPENSES	5,866,303	5,610,137	256,166	5,155,256
OPERATING INCOME	(23,143)	108,693	131,836	524,878
NONOPERATING REVENUES (EXPENSES):				
Investment income	210,200	179,434	(30,766)	205,287
Interest expense	(236,210)	(284,964)	(48,754)	(294,204)
Operating income from Marquette Area Wastewater Treatment Facility	-	8,038	8,038	(2,105)
TOTAL NONOPERATING REVENUES (EXPENSES)	(26,010)	(97,492)	(71,482)	(91,022)
CHANGE IN NET ASSETS	(49,153)	11,201	60,354	433,856
Net assets, beginning of year	31,549,456	31,549,456	-	31,115,600
NET ASSETS, END OF YEAR	\$ 31,500,303	\$ 31,560,657	\$ 60,354	\$ 31,549,456

City of Marquette, Michigan
STORMWATER UTILITY FUND
COMPARATIVE STATEMENT OF NET ASSETS
June 30, 2005 and 2004

	2005	2004
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 107,598	\$ 1,277,299
Accounts receivable	458,347	415,495
Allowance for uncollectible accounts	(398,065)	(355,350)
Unamortized bond issuance cost	50,417	59,520
Prepaid expense	-	234
	<u>218,297</u>	<u>1,397,198</u>
TOTAL CURRENT ASSETS	<u>218,297</u>	<u>1,397,198</u>
Noncurrent Assets:		
Restricted Assets:		
Bond Reserve Fund	257,344	250,573
Bond Escrow Fund	38,678	38,257
Vacation, Sick Leave, and Benefit Days Reserve	4,222	3,538
Total Restricted Assets	<u>300,244</u>	<u>292,368</u>
Property, plant and equipment	6,051,426	4,718,768
Allowance for depreciation	<u>(991,321)</u>	<u>(805,595)</u>
	<u>5,360,349</u>	<u>4,205,541</u>
TOTAL NONCURRENT ASSETS	<u>5,360,349</u>	<u>4,205,541</u>
	<u>5,578,646</u>	<u>5,602,739</u>
TOTAL ASSETS	<u>5,578,646</u>	<u>5,602,739</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	1,894	496
Accrued compensated absences	4,222	3,538
Accrued interest payable	5,386	7,049
Current portion of long-term debt	<u>230,000</u>	<u>215,000</u>
	<u>241,502</u>	<u>226,083</u>
TOTAL CURRENT LIABILITIES	<u>241,502</u>	<u>226,083</u>
Noncurrent Liabilities:		
Bonds payable	<u>1,065,000</u>	<u>1,295,000</u>
	<u>1,065,000</u>	<u>1,295,000</u>
TOTAL NONCURRENT LIABILITIES	<u>1,065,000</u>	<u>1,295,000</u>
	<u>1,306,502</u>	<u>1,521,083</u>
TOTAL LIABILITIES	<u>1,306,502</u>	<u>1,521,083</u>
NET ASSETS		
Invested in capital assets net of related debt	3,765,105	2,403,173
Net Assets:		
Restricted for debt service	296,022	288,830
Unrestricted	<u>211,017</u>	<u>1,389,653</u>
	<u>\$ 4,272,144</u>	<u>\$ 4,081,656</u>
TOTAL NET ASSETS	<u>\$ 4,272,144</u>	<u>\$ 4,081,656</u>

City of Marquette, Michigan

STORMWATER UTILITY FUND

SCHEDULE OF CHANGES IN REVENUES, EXPENSES AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2005
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2004

	2005			2004
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
OPERATING REVENUES:				
General customers	\$ 310,000	\$ 307,836	\$ (2,164)	\$ 308,736
Public authorities	17,150	17,495	345	17,148
Non-tax customers	116,000	103,011	(12,989)	116,075
City departments	217,000	219,018	2,018	216,992
Other charges for service	850	1,674	824	1,107
TOTAL OPERATING REVENUES	661,000	649,034	(11,966)	660,058
OPERATING EXPENSES:				
Routine Maintenance and Administration:				
Salaries and wages	127,700	111,082	16,618	113,285
Fringe benefits	30,797	70,542	(39,745)	71,112
Office supplies	850	1,020	(170)	962
Maintenance supplies	14,057	10,697	3,360	9,359
Professional and contractual	80,324	93,615	(13,291)	104,889
Rental vehicles	70,000	62,409	7,591	84,481
Utilities	1,810	450	1,360	450
Amortization	8,405	9,103	(698)	7,703
Uncollectible accounts	-	42,715	(42,715)	57,750
Provision for depreciation	140,000	185,726	(45,726)	158,443
Miscellaneous	20,500	20,140	360	136
TOTAL OPERATING EXPENSES	494,443	607,499	(113,056)	608,570
OPERATING INCOME (LOSS)	166,557	41,535	(125,022)	51,488
NONOPERATING REVENUES (EXPENSES):				
Investment income	50,000	48,925	(1,075)	55,991
Interest expense	(74,955)	(73,292)	1,663	(83,843)
State and Federal grants	51,000	173,320	122,320	536
TOTAL NONOPERATING REVENUES (EXPENSES)	26,045	148,953	122,908	(27,316)
INCOME (LOSS) BEFORE TRANSFERS	192,602	190,488	(2,114)	24,172
Transfers in	-	-	-	75,671
CHANGE IN NET ASSETS	192,602	190,488	(2,114)	99,843
Net assets, beginning of year	4,081,656	4,081,656	-	3,981,813
NET ASSETS, END OF YEAR	\$ 4,274,258	\$ 4,272,144	\$ (2,114)	\$ 4,081,656

City of Marquette, Michigan

INTERNAL SERVICE FUNDS

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

The function of the Internal Service Funds is to account for funds that are used to finance, administer and account for the financing of goods and services provided by one department or agency to other departments or agencies of the governmental unit or to other governmental units on a cost reimbursement basis.

MOTOR VEHICLE EQUIPMENT FUND: To operate as a self-supporting fund, which will be responsible for the maintenance and purchasing of vehicles and equipment utilized in various departments of the City.

MUNICIPAL SERVICE CENTER FUND: To accumulate the expenses and revenues associated with the operation of the Municipal Service Center. Building space is rented to various funds based on a square foot occupancy rate.

City of Marquette, Michigan
ALL INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS

June 30, 2005

	Motor Vehicle Equipment Fund	Municipal Service Center Fund	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 510,128	\$ 114,579	\$ 624,707
Accounts receivable, net	841	20	861
Due from local units	1,133	-	1,133
Inventory	22,314	-	22,314
TOTAL CURRENT ASSETS	534,416	114,599	649,015
Noncurrent Assets:			
Restricted Assets:			
Replacement and maintenance fund	575,138	-	575,138
Vacation, sick leave and benefit reserve	128,319	6,530	134,849
Total Restricted Assets	<u>703,457</u>	<u>6,530</u>	<u>709,987</u>
Long-term receivables	17,676	-	17,676
Land and land improvements	-	251,454	251,454
Property, plant, and equipment	8,460,746	6,865,805	15,326,551
Accumulated depreciation	(5,792,904)	(2,531,463)	(8,324,367)
TOTAL NONCURRENT ASSETS	3,388,975	4,592,326	7,981,301
TOTAL ASSETS	3,923,391	4,706,925	8,630,316
LIABILITIES			
Current Liabilities:			
Accounts payable	185,493	12,314	197,807
Accrued compensated absences	128,319	6,530	134,849
TOTAL CURRENT LIABILITIES	313,812	18,844	332,656
TOTAL LIABILITIES	313,812	18,844	332,656
NET ASSETS			
Invested in capital assets net of related debt	2,667,841	4,585,796	7,253,637
Net Assets:			
Unrestricted	941,738	102,285	1,044,023
TOTAL NET ASSETS	\$ 3,609,579	\$ 4,688,081	\$ 8,297,660

City of Marquette, Michigan

ALL INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

For the Fiscal Year Ended June 30, 2005

	Motor Vehicle Equipment Fund	Municipal Service Center Fund	Total
OPERATING REVENUES:			
Charges for services	\$ 1,794,408	\$ 702,838	\$ 2,497,246
Other	18,524	5,028	23,552
TOTAL OPERATING REVENUES	<u>1,812,932</u>	<u>707,866</u>	<u>2,520,798</u>
OPERATING EXPENSES:			
General and administrative	571,533	293,683	865,216
Depreciation	559,740	216,397	776,137
Vehicle operating expenses	1,004,819	-	1,004,819
TOTAL OPERATING EXPENSES	<u>2,136,092</u>	<u>510,080</u>	<u>2,646,172</u>
OPERATING INCOME (LOSS)	<u>(323,160)</u>	<u>197,786</u>	<u>(125,374)</u>
NON-OPERATING REVENUES (EXPENSES):			
Investment income	24,700	7,257	31,957
(Loss) on sale of capital assets	(3,571)	-	(3,571)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>21,129</u>	<u>7,257</u>	<u>28,386</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>(302,031)</u>	<u>205,043</u>	<u>(96,988)</u>
Transfers (out)	<u>-</u>	<u>(378,208)</u>	<u>(378,208)</u>
CHANGE IN NET ASSETS	<u>(302,031)</u>	<u>(173,165)</u>	<u>(475,196)</u>
Net assets, beginning of year	<u>3,911,610</u>	<u>4,861,246</u>	<u>8,772,856</u>
NET ASSETS, END OF YEAR	<u><u>\$ 3,609,579</u></u>	<u><u>\$ 4,688,081</u></u>	<u><u>\$ 8,297,660</u></u>

City of Marquette, Michigan

ALL INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

For the Fiscal Year Ended June 30, 2005

	Motor Vehicle Equipment Fund	Municipal Service Center Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from fees and charges for services	\$ 1,803,056	\$ 702,818	\$ 2,505,874
Other operating revenues	18,524	5,028	23,552
Cash payments to employees for services	(500,098)	(88,204)	(588,302)
Cash payments to suppliers for goods and services	(997,116)	(196,266)	(1,193,382)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	324,366	423,376	747,742
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers (out)	-	(378,208)	(378,208)
Decrease in due from local units	1,095	-	1,095
NET CASH (USED) BY NONCAPITAL FINANCING ACTIVITIES	1,095	(378,208)	(377,113)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Cash payments for capital assets	(320,529)	(62,072)	(382,601)
Proceeds from sale of capital assets	1,011	-	1,011
Payments received on notes receivable	11,073	-	11,073
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(308,445)	(62,072)	(370,517)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest income	24,700	7,257	31,957
(Increase) decrease in restricted assets:			
Equipment reserve	270,033	-	270,033
Vacation and sick leave reserve	(13,253)	(2,144)	(15,397)
NET CASH PROVIDED BY INVESTING ACTIVITIES	281,480	5,113	286,593
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	298,496	(11,791)	286,705
Cash and cash equivalents, beginning of year	211,632	126,370	338,002
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 510,128	\$ 114,579	\$ 624,707
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (323,160)	\$ 197,786	\$ (125,374)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	559,740	216,397	776,137
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	8,648	(20)	8,628
(Increase) in inventory	(9,314)	-	(9,314)
Decrease in prepaid expenses	2,446	278	2,724
Increase in accounts payable	72,753	6,791	79,544
Increase in accrued compensated absences	13,253	2,144	15,397
NET ADJUSTMENTS	647,526	225,590	873,116
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 324,366	\$ 423,376	\$ 747,742

City of Marquette, Michigan
MOTOR VEHICLE EQUIPMENT FUND
COMPARATIVE STATEMENT OF NET ASSETS

June 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 510,128	\$ 211,633
Accounts receivable	841	9,489
Due from local units	1,133	2,228
Inventory	22,314	13,000
Prepaid expense	-	2,446
	<u>534,416</u>	<u>238,796</u>
TOTAL CURRENT ASSETS		
Noncurrent Assets:		
Restricted Assets:		
Equipment reserve	575,138	845,171
Vacation, sick leave and benefit day reserve	128,319	115,066
Total Restricted Assets	<u>703,457</u>	<u>960,237</u>
Long term notes receivable	17,676	28,749
Property, plant and equipment	8,460,746	8,335,104
Allowance for depreciation	<u>(5,792,904)</u>	<u>(5,423,470)</u>
	<u>3,388,975</u>	<u>3,900,620</u>
TOTAL NONCURRENT ASSETS		
	<u>3,923,391</u>	<u>4,139,416</u>
TOTAL ASSETS		
LIABILITIES		
Current Liabilities:		
Accounts payable	185,493	112,740
Accrued compensated absences	128,319	115,066
	<u>313,812</u>	<u>227,806</u>
TOTAL CURRENT LIABILITIES		
	<u>313,812</u>	<u>227,806</u>
TOTAL LIABILITIES		
NET ASSETS		
Invested in capital assets	2,667,841	2,911,634
Unrestricted	<u>941,738</u>	<u>999,976</u>
	<u>\$ 3,609,579</u>	<u>\$ 3,911,610</u>
TOTAL NET ASSETS		

City of Marquette, Michigan

MOTOR VEHICLE EQUIPMENT FUND

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2005
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2004

	2005		2004	
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
OPERATING REVENUES:				
Rentals	\$ 1,875,000	\$ 1,794,408	\$ (80,592)	\$ 1,793,485
Other	10,100	18,524	8,424	35,720
TOTAL OPERATING REVENUES	1,885,100	1,812,932	(72,168)	1,829,205
OPERATING EXPENSES:				
Vehicle Operating Expenses:				
Personnel services	548,858	513,351	35,507	519,094
Repairs and maintenance	233,102	231,364	1,738	174,890
Fuel	150,000	170,707	(20,707)	122,643
Supplies	21,209	9,296	11,913	25,813
Vehicle insurance	70,400	69,764	636	65,760
Rentals	16,000	10,337	5,663	11,820
Total Vehicle Operating Expenses	1,039,569	1,004,819	34,750	920,020
Administrative and General Expenses:				
Rentals	505,000	505,000	-	550,020
Professional services	55,000	62,538	(7,538)	54,336
Supplies	1,300	1,331	(31)	1,458
Other services and charges	6,500	2,664	3,836	2,947
Provision for depreciation	452,000	559,740	(107,740)	575,095
Total Administrative and General Expenses	1,019,800	1,131,273	(111,473)	1,183,856
TOTAL OPERATING EXPENSES	2,059,369	2,136,092	(76,723)	2,103,876
OPERATING INCOME (LOSS)	(174,269)	(323,160)	(148,891)	(274,671)
NONOPERATING REVENUES (EXPENSES):				
Investment income	9,000	24,700	15,700	11,590
Gain (loss) on sale of capital assets	10,000	(3,571)	(13,571)	26,378
TOTAL NONOPERATING REVENUES (EXPENSES)	19,000	21,129	2,129	37,968
CHANGE IN NET ASSETS	(155,269)	(302,031)	(146,762)	(236,703)
Net assets, beginning of year	3,911,610	3,911,610	-	4,148,313
NET ASSETS, END OF YEAR	\$ 3,756,341	\$ 3,609,579	\$ (146,762)	\$ 3,911,610

City of Marquette, Michigan
MUNICIPAL SERVICE CENTER FUND
COMPARATIVE STATEMENT OF NET ASSETS
June 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 114,579	\$ 126,370
Accounts Receivable	20	-
Prepaid expense	<u>-</u>	<u>278</u>
TOTAL CURRENT ASSETS	<u>114,599</u>	<u>126,648</u>
Noncurrent Assets:		
Restricted Assets:		
Vacation, Sick Leave and Benefit Day Reserve	6,530	4,386
Total Restricted Assets	<u>6,530</u>	<u>4,386</u>
Land	245,566	245,566
Land improvements	5,888	5,888
Property, plant and equipment	6,865,805	6,803,733
Allowance for depreciation	<u>(2,531,463)</u>	<u>(2,315,066)</u>
TOTAL NONCURRENT ASSETS	<u>4,592,326</u>	<u>4,744,507</u>
TOTAL ASSETS	<u>4,706,925</u>	<u>4,871,155</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	12,314	5,523
Accrued compensated absences	<u>6,530</u>	<u>4,386</u>
TOTAL CURRENT LIABILITIES	<u>18,844</u>	<u>9,909</u>
TOTAL LIABILITIES	<u>18,844</u>	<u>9,909</u>
NET ASSETS		
Invested in capital assets	4,585,796	4,740,122
Unrestricted	<u>102,285</u>	<u>121,124</u>
TOTAL NET ASSETS	<u>\$ 4,688,081</u>	<u>\$ 4,861,246</u>

City of Marquette, Michigan

MUNICIPAL SERVICE CENTER FUND

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2005

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2004

	2005			2004
	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
OPERATING REVENUES:				
Rentals	\$ 700,000	\$ 702,838	\$ 2,838	\$ 637,806
Other	4,000	5,028	1,028	4,267
TOTAL OPERATING REVENUES	704,000	707,866	3,866	642,073
OPERATING EXPENSES:				
Administrative and General Expenses:				
Personnel services	97,608	90,348	7,260	57,447
Professional services	52,034	58,095	(6,061)	52,039
Supplies	22,102	26,727	(4,625)	21,730
Utilities	68,600	79,145	(10,545)	70,673
Other services and charges	78,364	39,368	38,996	44,031
Provision for depreciation	205,900	216,397	(10,497)	200,445
TOTAL OPERATING EXPENSES	524,608	510,080	14,528	446,365
OPERATING INCOME (LOSS)	179,392	197,786	18,394	195,708
NONOPERATING REVENUES (EXPENSES):				
Investment income	18,152	7,257	(10,895)	10,788
TOTAL NONOPERATING REVENUES (EXPENSES)	18,152	7,257	(10,895)	10,788
INCOME (LOSS) BEFORE TRANSFERS	197,544	205,043	7,499	206,496
Transfers (out)	(380,000)	(378,208)	1,792	(379,928)
CHANGE IN NET ASSETS	(182,456)	(173,165)	9,291	(173,432)
Net assets, beginning of year	4,861,246	4,861,246	-	5,034,678
NET ASSETS, END OF YEAR	\$ 4,678,790	\$ 4,688,081	\$ 9,291	\$ 4,861,246

City of Marquette, Michigan

FIDUCIARY FUNDS

INDIVIDUAL FUND STATEMENTS

The function of Fiduciary funds is to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds. These include (a) private-purpose trust funds, (b) pension trust funds, and (c) agency funds.

SPECIAL ACTIVITIES PRIVATE-PURPOSE TRUST FUND: This fund is used to account for the contributions from private sources restricted for special projects. The City is holding these monies in a trustee capacity.

PENSION TRUST FUND: The Fire-Police Retirement System Fund is used to account for the accumulation of resources to be used for retirement annuity payments at appropriate amounts and times in the future. Resources are contributed by employees at fixed rates and by the City at amounts determined by an annual actuarial valuation.

AGENCY FUND: This fund is used to record the collection and payment of property taxes billed and collected by the City on behalf of the County, the School Districts, and the Intermediate School District. It is also used as a payroll clearing account type, which receives reimbursing payments from other funds.

The accrual basis of accounting is used in recording Fiduciary Fund transactions.

City of Marquette, Michigan

SPECIAL ACTIVITIES PRIVATE-PURPOSE TRUST FUND

COMPARATIVE STATEMENT OF FIDUCIARY NET ASSETS

June 30, 2005 and 2004

ASSETS	<u>2005</u>	<u>2004</u>
Cash and cash equivalents	\$ 422,269	\$ 375,820
TOTAL ASSETS	<u>422,269</u>	<u>375,820</u>
LIABILITIES		
Accounts payable	<u>14</u>	<u>37,465</u>
TOTAL LIABILITIES	<u>14</u>	<u>37,465</u>
NET ASSETS		
Waterfront Property	4,764	4,630
Neck of Presque Isle Park	1,582	1,538
Iron Bay Business Park	-	(3,036)
L.G. Kaufman Ski Hill	12,011	11,673
Insurance Program	21,851	38,952
MUSTFAA Insurance	62,923	57,253
Senior Citizens Trust	13,373	14,374
Senior Citizens Grants	22,069	21,894
Native American Culture Center	1,533	-
Sister Cities Artists Exchange	4,360	-
Finland Sister City	4,325	1,855
Japan Sister City Campaign	918	924
Williams Park Improvement	13	13
McCarty's Cove	170	166
Presque Isle Walking Path	12,095	6,356
Heritage Tree	3,740	2,943
Harlow Park Playground Equipment	239	232
Tourist Park Development	32,238	31,331
Mobile Fire Safety House	5,169	4,629
Softball Insurance Fees	352	352
Fire Belltower Paver Bricks	1,590	2,935
Fire Belltower Other	1,113	1,082
Seized Property	20,026	24,377
Drug Dog	4,601	6,114
Disaster Contingency	5,201	5,055
Potter's Field	221	181
Hiebel Memorial	8,622	8,355
D.A.R.E. Program	3,376	2,809
City Gift Program	18,193	14,973
Sanitation Fee for Land Purchase and Development	141,084	69,571
Fuel Surcharge	<u>14,503</u>	<u>6,824</u>
TOTAL NET ASSETS	<u>\$ 422,255</u>	<u>\$ 338,355</u>

City of Marquette, Michigan

FIRE-POLICE RETIREMENT SYSTEM PENSION TRUST FUND

COMPARATIVE STATEMENT OF PLAN NET ASSETS

June 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>
ASSETS		
Cash and cash equivalents	\$ 290,535	\$ 485,709
Investments:		
United States Government Securities	5,018,812	4,409,606
Domestic Corporation Bonds	3,968,452	4,352,385
Common, Pooled Fund	15,459,157	15,639,120
Government National Mortgage Association	4,730	6,737
Accrued interest receivable	<u>105,324</u>	<u>101,038</u>
TOTAL ASSETS	<u>24,847,010</u>	<u>24,994,595</u>
 LIABILITIES		
Accounts payable and other	<u>2,771</u>	<u>160</u>
 NET ASSETS HELD IN TRUST FOR PENSION	<u><u>\$ 24,844,239</u></u>	<u><u>\$ 24,994,435</u></u>

City of Marquette, Michigan

AGENCY FUND

COMPARATIVE BALANCE SHEET

June 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>
ASSETS		
Cash and cash equivalents	\$ 1,507,897	\$ 1,585,176
Accounts receivable	1,254	1,254
Taxes receivable - current	26,698	-
Taxes receivable - delinquent personal	<u>89,204</u>	<u>78,995</u>
TOTAL ASSETS	<u><u>\$ 1,625,053</u></u>	<u><u>\$ 1,665,425</u></u>
LIABILITIES		
Liabilities:		
Accounts payable	\$ -	\$ 868
Contract retainage payable	94,007	194,753
Accrued wages and related liabilities	980,032	1,077,928
Due to other governments	29,715	18,995
Due to State	23,396	14,177
Due to local units	497,532	358,009
Other liabilities	<u>371</u>	<u>695</u>
TOTAL LIABILITIES	<u><u>\$ 1,625,053</u></u>	<u><u>\$ 1,665,425</u></u>

City of Marquette, Michigan

AGENCY FUND

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

For the Fiscal Year Ended June 30, 2005

	<u>Balance June 30, 2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2005</u>
ASSETS				
Cash and cash equivalents	\$ 1,585,176	\$ 31,582,426	\$ 31,659,705	\$ 1,507,897
Accounts receivable	1,254	417,785	417,785	1,254
Taxes receivable - current	-	12,923,571	12,896,873	26,698
Taxes receivable - delinquent personal	<u>78,995</u>	<u>50,314</u>	<u>40,105</u>	<u>89,204</u>
TOTAL ASSETS	<u><u>\$ 1,665,425</u></u>	<u><u>\$ 44,974,096</u></u>	<u><u>\$ 45,014,468</u></u>	<u><u>\$ 1,625,053</u></u>
LIABILITIES				
Accounts payable	\$ 868	\$ 15,365,544	\$ 15,366,412	\$ -
Contract retainage payable	194,753	332,941	433,687	94,007
Accrued wages and related liabilities	1,077,928	3,441,986	3,539,882	980,032
Due to other governments	18,995	3,700,392	3,689,672	29,715
Due to State	14,177	2,873,704	2,864,485	23,396
Due to local units	358,009	7,183,826	7,044,303	497,532
Other liabilities	<u>695</u>	<u>21,569</u>	<u>21,893</u>	<u>371</u>
TOTAL LIABILITIES	<u><u>\$ 1,665,425</u></u>	<u><u>\$ 32,919,962</u></u>	<u><u>\$ 32,960,334</u></u>	<u><u>\$ 1,625,053</u></u>

City of Marquette, Michigan

CAPITAL ASSETS SCHEDULES

City of Marquette, Michigan

**SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS - BY SOURCE**

June 30, 2005

	Land and Improvements	Buildings and Improvements	Furniture and Equipment	Other	Totals
Governmental Capital Assets:					
Land	\$ 10,912,200	\$ -	\$ -	\$ -	\$ 10,912,200
Land improvements	6,904,500	-	-	-	6,904,500
Buildings	-	4,971,466	-	-	4,971,466
Building improvements	-	4,986,116	-	-	4,986,116
Furniture and equipment	-	-	2,711,322	-	2,711,322
Infrastructure	-	-	-	2,979,047	2,979,047
Construction in progress	3,611,602	-	-	-	3,611,602
Investment in joint venture	-	-	-	3,560,397	3,560,397
TOTAL	\$ 21,428,302	\$ 9,957,582	\$ 2,711,322	\$ 6,539,444	\$ 40,636,650
Investments in Governmental Capital Assets From:					
General Fund	\$ 16,286,802	\$ 4,546,539	\$ 2,166,198	\$ 2,979,047	\$ 25,978,586
Federal grants	1,901,291	3,466,340	116,285	-	5,483,916
State grants	705,189	494,867	138,397	-	1,338,453
Private gifts	1,114,174	558,029	117,381	-	1,789,584
Authorities, Boards and Commissions	54,000	811,172	-	-	865,172
Joint venture	-	-	-	3,560,397	3,560,397
Other funds	1,366,846	80,635	173,061	-	1,620,542
TOTAL	\$ 21,428,302	\$ 9,957,582	\$ 2,711,322	\$ 6,539,444	\$ 40,636,650

City of Marquette, Michigan

SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS - BY FUNCTION AND ACTIVITY

June 30, 2005

Function and Activity	Total	Land	Land Improvements	Buildings	Building Improvements	Furniture and Equipment	Infrastructure
General Government:							
City Commission	\$ 8,999	\$ -	\$ -	\$ -	\$ -	\$ 8,999	\$ -
Elections	5,001	-	-	-	-	5,001	-
Finance and Accounting	7,191	-	-	-	-	7,191	-
Treasurer	5,978	-	-	-	-	5,978	-
Information Systems	1,352,585	-	-	-	-	1,352,585	-
Cemetery	226,936	98,002	94,648	9,048	25,238	-	-
City Hall and Grounds	2,402,655	100,008	128,542	1,395,545	651,568	126,992	-
Other City Property	5,129,514	5,109,643	19,871	-	-	-	-
Total General Government	9,138,859	5,307,653	243,061	1,404,593	676,806	1,506,746	-
Public Health and Safety:							
Police Department	299,546	-	-	-	-	299,546	-
Fire Department	425,669	32,296	14,663	154,155	106,673	117,882	-
Total Public Health and Safety	725,215	32,296	14,663	154,155	106,673	417,428	-
Highways, Streets and Bridges:							
City Engineer	73,789	-	-	-	-	73,789	-
Public Works	7,306,373	4,242,131	2,742,813	107,549	213,880	-	-
Infrastructure	2,979,047	-	-	-	-	-	2,979,047
Parking System	2,475,516	753,874	70,131	1,320,171	235,396	95,944	-
Total Highways, Streets and Bridges	12,834,725	4,996,005	2,812,944	1,427,720	449,276	169,733	2,979,047
Other:							
Sanitation	14,932	14,932	-	-	-	-	-
Social Services	-	-	-	-	-	-	-
Recreation	10,707,756	561,314	3,833,832	1,984,998	3,735,445	592,167	-
Other functions	43,164	-	-	-	17,916	25,248	-
Total Other	10,765,852	576,246	3,833,832	1,984,998	3,753,361	617,415	-
TOTAL GOVERNMENTAL CAPITAL ASSETS ASSOCIATED TO FUNCTIONS	33,464,851	\$ 10,912,200	\$ 6,904,500	\$ 4,971,466	\$ 4,986,116	\$ 2,711,322	\$ 2,979,047
Construction in progress	3,611,602						
Investment in Marquette County Solid Waste Management Authority	3,560,397						
TOTAL GOVERNMENTAL CAPITAL ASSETS	\$ 40,636,850						

City of Marquette, Michigan

**SCHEDULE OF CHANGES IN CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS - BY FUNCTION AND ACTIVITY**

For the Fiscal Year Ended June 30, 2005

Function and Activity	Balance June 30, 2004	Additions	Deductions	Transfers	Balance June 30, 2005
General Government:					
City Commission	\$ 8,999	\$ -	\$ -	\$ -	\$ 8,999
Elections	5,001	-	-	-	5,001
Finance and Accounting	7,191	-	-	-	7,191
Treasurer	5,978	-	-	-	5,978
Information Systems	1,186,073	166,512	-	-	1,352,585
Cemetery	226,936	-	-	-	226,936
City Hall and Grounds	2,342,907	59,748	-	-	2,402,655
Other City Property	-	5,129,514	-	-	5,129,514
Total General Government	3,783,085	5,355,774	-	-	9,138,859
Public Health and Safety:					
Police Department	288,804	10,742	-	-	299,546
Fire Department	366,521	59,148	-	-	425,669
Total Public Health and Safety	655,325	69,890	-	-	725,215
Highways, Streets and Bridges					
City Engineer	73,789	-	-	-	73,789
Public Works	7,089,155	-	-	217,218	7,306,373
Infrastructure	1,598,007	217,795	-	1,163,245	2,979,047
Parking System	2,475,516	-	-	-	2,475,516
Total Highways, Streets and Bridges	11,236,467	217,795	-	1,380,463	12,834,725
Other:					
Sanitation	14,932	-	-	-	14,932
Recreation	10,614,777	92,979	-	-	10,707,756
Other	260,381	-	-	(217,217)	43,164
Total Other	10,890,090	92,979	-	(217,217)	10,765,852
TOTAL GOVERNMENTAL CAPITAL ASSETS	26,564,967	5,736,438	-	1,163,246	33,464,651
Construction in progress	2,465,718	2,309,130	-	(1,163,246)	3,611,602
Investment in Marquette County Solid Waste Management Authority	3,073,511	486,886	-	-	3,560,397
GRAND TOTAL	\$ 32,104,196	\$8,532,454	\$ -	\$ -	\$ 40,636,650

City of Marquette, Michigan

LONG-TERM DEBT SCHEDULES

City of Marquette, Michigan

**SCHEDULE OF BONDS, NOTES PAYABLE AND CAPITALIZED LEASE OBLIGATIONS PAYABLE -
ENTERPRISE FUNDS**

For the year ended June 30, 2005

Maturities Year Ending June 30:	WATER SUPPLY AND SEWAGE DISPOSAL FUND					MARINA FUND	STORMWATER UTILITY FUND
	Capitalized Lease Obligations (A)	Note Payable	Loan Payable	Revenue Bonds (B)	Revenue Bonds (C)	Revenue Bonds (D)	Revenue Bonds (E)
2006	\$ 120,866	\$ 19,329	\$ 140,000	\$ 65,000	\$ 565,000	\$ 70,000	\$ 230,000
2007	120,866	20,286	145,000	70,000	570,000	70,000	245,000
2008	120,866	21,289	145,000	-	590,000	70,000	255,000
2009	120,866	22,343	150,000	-	480,000	75,000	275,000
2010	-	23,448	155,000	-	410,000	70,000	290,000
2011	-	24,878	155,000	-	410,000	75,000	-
2012	-	-	160,000	-	430,000	75,000	-
2013	-	-	165,000	-	450,000	80,000	-
2014	-	-	165,000	-	470,000	85,000	-
2015	-	-	170,000	-	485,000	-	-
2016	-	-	175,000	-	505,000	-	-
2017	-	-	180,000	-	-	-	-
2018	-	-	180,000	-	-	-	-
2019	-	-	185,000	-	-	-	-
2020	-	-	190,000	-	-	-	-
2021	-	-	195,000	-	-	-	-
2022	-	-	200,000	-	-	-	-
2023	-	-	200,000	-	-	-	-
2024	-	-	205,000	-	-	-	-
2025	-	-	210,000	-	-	-	-
	<u>\$ 483,464</u>	<u>\$ 131,573</u>	<u>\$ 3,470,000</u>	<u>\$ 135,000</u>	<u>\$ 5,365,000</u>	<u>\$ 670,000</u>	<u>\$ 1,295,000</u>
Interest rates	4.3 - 4.4%	4.88%	2.125%	2.0%	2.0 - 4.1%	4.7 - 5.8%	4.1 - 5.0%
Interest dates	June and December	August	April and October	May and November	May and November	May and November	June and December
Date of original issue	July 28, 1998	February 23, 1999	March 9, 2004	February 18, 2004	November 4, 2003	February 18, 2004	November 1, 1995
Amount of original issue	<u>\$ 1,485,000</u>	<u>\$ 199,926</u>	<u>\$ 3,470,000</u>	<u>\$ 140,000</u>	<u>\$ 5,990,000</u>	<u>\$ 690,000</u>	<u>\$ 2,740,000</u>

City of Marquette, Michigan

**NOTES TO SCHEDULE OF BONDS, NOTES PAYABLE AND CAPITALIZED LEASE
OBLIGATIONS PAYABLE – ENTERPRISE FUNDS**

For the year ended June 30, 2005

- A. The City may pay additional monies to the County of Marquette and may request that such additional funds be used to call bonds for redemption prior to maturity, in which event the County Board of Commissioners would be obligated to apply and use such money for such purposes to the fullest extent possible.
- B. Outstanding bonds are not subject to optional redemption.
- C. Outstanding bonds maturing in the years 2004 to 2007, inclusive, are subject to redemption on January 1, 2004 at 100% of par plus accrued interest. The outstanding bonds maturing in years 2005 to 2016, inclusive, are subject to redemption on May 1, 2004 at 100% of par plus accrued interest.
- D. Outstanding bonds are not subject to optional redemption.
- E. Outstanding bonds maturing prior to June 1, 2004, are not subject to optional redemption prior to maturity. Bonds maturing on or after June 1, 2004, are subject to redemption at the option of the City, in whole or part, in integral multiples of \$5,000, on any date on or after June 1, 2003, at par, plus accrued interest to the redemption date.

City of Marquette, Michigan

**SCHEDULE OF BONDS PAYABLE
COMPONENT UNIT - BOARD OF LIGHT AND POWER ELECTRIC UTILITY FUND**

For the year ended June 30, 2005

	Revenue Bonds Series 2001 (A)
<u>Maturities</u>	
Year Ending June 30:	
2006	\$ 3,805,000
2007	2,695,000
2008	2,790,000
2009	2,700,000
Discount	<u>(61,388)</u>
	\$ <u>11,928,612</u>
 Interest rates	 4.8 - 5.125%
 Interest dates	 January and July
 Date of original issue	 October 11, 2001
 Amount of original issue	\$ <u>21,815,150</u>

- (A) Bonds maturing in the years 2007 through 2009 are subject to redemption prior to maturity at the option of the City, in such order as the City may determine, and by lot within a single maturity, on any interest payment date on or after July 1, 2006. Bonds called for redemption shall be redeemed at par and accrued interest to the date fixed for redemption. Original issue is less than amount outstanding due to the amortization of the discount in the current year.

City of Marquette, Michigan

COMPONENT UNITS

INDIVIDUAL COMPONENT UNIT STATEMENTS AND SCHEDULES

Component units are used to account for the discretely presented component units which follow governmental or proprietary fund accounting guidelines.

BOARD OF LIGHT AND POWER: To account for the electric utility.

PETER WHITE PUBLIC LIBRARY: To record revenues and expenditures of the Peter White Public Library. Financing is primarily provided through property taxes.

DOWNTOWN DEVELOPMENT AUTHORITY: To record the activities associated with the Downtown Development Authority.

MARQUETTE HOUSING COMMISSION: To record the activities associated with the Marquette Housing Commission.

City of Marquette, Michigan
Board of Light and Power Electric Utility

COMPARATIVE STATEMENT OF NET ASSETS

June 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 3,479,091	\$ 6,482,488
Internally designated assets:		
Customer electric rate stabilization fund	1,763,184	2,346,484
Turbine and major generating equipment overhaul fund	856,923	1,244,082
Replacement-risk retention fund	2,433,503	2,555,042
Improvement fund	1,737,991	1,892,238
Accounts receivable, net	1,339,446	1,033,410
Inventory	4,266,374	1,597,746
Prepaid expenses	67,298	66,735
TOTAL CURRENT ASSETS	<u>15,943,810</u>	<u>17,218,225</u>
Noncurrent Assets:		
Restricted Assets:		
Bond and interest redemption fund	4,008,062	3,959,932
Bond reserve fund	2,198,000	2,198,000
Pinehill landfill fund	12,634	12,809
Total Restricted Assets	<u>6,218,696</u>	<u>6,170,741</u>
Unamortized bond issuance costs	72,867	106,656
Investment in UPPPA	1,801,085	1,648,112
Property, plant, and equipment	113,361,354	111,345,699
Accumulated depreciation	(73,572,948)	(70,558,762)
TOTAL NONCURRENT ASSETS	<u>47,881,054</u>	<u>48,712,446</u>
TOTAL ASSETS	<u>63,824,864</u>	<u>65,930,671</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	1,954,588	1,345,395
Accrued liabilities	138,763	124,129
Compensated absences	793,157	833,609
Customer deposits payable	1,319,078	1,278,771
Other current liabilities	40,000	40,000
TOTAL CURRENT LIABILITIES	<u>4,245,586</u>	<u>3,621,904</u>
Current Liabilities (payable from restricted assets):		
Current maturities on revenue bonds	3,805,000	3,705,000
Revenue bond accrued interest payable	203,062	254,932
TOTAL CURRENT LIABILITIES (PAYABLE FROM RESTRICTED ASSETS)	<u>4,008,062</u>	<u>3,959,932</u>
Noncurrent Liabilities:		
Bonds payable	8,123,612	11,900,075
Reserve for turbine and major generating equipment overhaul	856,923	1,244,082
Postclosure costs-Landfill	601,655	624,194
TOTAL NONCURRENT LIABILITIES	<u>9,582,190</u>	<u>13,768,351</u>
TOTAL LIABILITIES	<u>17,835,838</u>	<u>21,350,187</u>
NET ASSETS		
Invested in capital assets net of related debt	31,664,794	28,886,862
Restricted:		
Other activities	2,210,634	2,210,809
Unrestricted	12,113,598	13,482,813
TOTAL NET ASSETS	<u>\$ 45,989,026</u>	<u>\$ 44,580,484</u>

City of Marquette, Michigan
Board of Light and Power Electric Utility

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

For the Fiscal Year Ended June 30, 2005
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2004

	<u>2005</u>	<u>2004</u>
OPERATING REVENUES:		
Electricity Sales:		
Urban	\$ 12,214,724	\$ 11,486,191
Rural	7,019,772	6,710,934
Sales to Alger-Delta Co-op	805,367	768,081
Sales to Wisconsin Electric Power Company	2,891,898	3,097,767
Street lighting	316,408	302,194
Other municipal departments	686,200	674,730
Rent and other	646,651	738,928
TOTAL OPERATING REVENUES	<u>24,581,020</u>	<u>23,778,825</u>
OPERATING EXPENSES:		
Administrative and general	3,977,282	3,652,965
Production	12,140,131	10,970,444
Purchased power	2,435,030	709,764
Distribution and transmission	946,114	961,924
Customer accounting	459,964	469,905
Payment in lieu of property taxes - City of Marquette	1,203,013	1,240,622
Provision for depreciation, excluding \$112,243 charged to other operating expenses	3,079,092	3,094,111
TOTAL OPERATING EXPENSES	<u>24,240,626</u>	<u>21,099,735</u>
INCOME FROM OPERATIONS	<u>340,394</u>	<u>2,679,090</u>
NONOPERATING REVENUES (EXPENSES):		
Investment income	638,058	426,681
Delayed payment fees	31,989	29,676
Interest on refunding bonds	(406,125)	(509,865)
Other interest expense	(33,714)	(32,155)
Amortization of bond issuance expense	(62,326)	(60,688)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>167,882</u>	<u>(146,351)</u>
NET INCOME	508,276	2,532,739
Capital contributions from customers	900,266	554,247
CHANGE IN NET ASSETS	1,408,542	3,086,986
Net assets, beginning of year	44,580,484	41,493,498
NET ASSETS, END OF YEAR	<u>\$ 45,989,026</u>	<u>\$ 44,580,484</u>

City of Marquette, Michigan
Board of Light and Power Electric Utility

STATEMENT OF CASH FLOWS

For the Fiscal Year Ended June 30, 2005
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2004

	<u>2005</u>	<u>2004</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 24,274,984	\$ 24,387,535
Cash paid to suppliers and employees	<u>(23,504,498)</u>	<u>(17,181,633)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>770,486</u>	<u>7,205,902</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	(2,206,391)	(2,105,863)
Proceeds from sale of equipment	2,156	2,445
Principal payment on revenue bonds, notes payable and capital lease obligations	(3,705,000)	(3,610,000)
Capital contributions	900,266	554,247
Interest paid on revenue bonds and notes payable	<u>(457,995)</u>	<u>(557,247)</u>
NET CASH (USED) FOR CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(5,466,964)</u>	<u>(5,716,418)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment income	573,291	421,092
Proceeds from maturities and sales of investment securities	3,960,332	4,334,924
Purchase of investments	<u>(2,840,542)</u>	<u>(4,525,774)</u>
NET CASH (USED) BY INVESTING ACTIVITIES	<u>1,693,081</u>	<u>230,242</u>
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(3,003,397)</u>	<u>1,719,726</u>
Cash and cash equivalents, beginning of year	<u>6,482,488</u>	<u>4,762,762</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 3,479,091</u>	<u>\$ 6,482,488</u>
Noncash Investing, Capital and Financing Activities:		
Net appreciation (depreciation) in fair value of investments	<u>\$ -</u>	<u>\$ (66,884)</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	<u>\$ 340,394</u>	<u>\$ 2,679,090</u>
Adjustments to reconcile income to net cash provided by operating activities:		
Depreciation	3,191,335	3,188,058
Bad debt expense	36,012	28,773
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(342,048)	579,937
(Increase) decrease in inventory	(2,668,628)	(45,135)
(Increase) in prepaid expenses	(563)	(8,886)
Increase in accounts payable	609,193	410,912
Increase in accrued wages and related liabilities	14,634	64,143
Increase (decrease) in accrued sick and vacation	(40,452)	1,566
Increase in customer deposits, including accrued interest	40,307	65,245
(Decrease) in landfill site postclosure care cost liability	(22,539)	(24,138)
Increase (decrease) in reserve for turbine overhaul	<u>(387,159)</u>	<u>266,337</u>
NET ADJUSTMENTS	<u>430,092</u>	<u>4,526,812</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 770,486</u>	<u>\$ 7,205,902</u>

**City of Marquette, Michigan
Peter White Public Library**

STATEMENT OF NET ASSETS

June 30, 2005

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 386,123
Investments	1,209,239
Taxes receivable, net	1,063,789
Accounts receivable, net	-
Prepaid expenses	19,953
	<hr/>
TOTAL CURRENT ASSETS	2,679,104
	<hr/>
Noncurrent assets:	
Land	114,704
Other capital assets	11,080,564
Accumulated depreciation	(4,174,854)
	<hr/>
TOTAL NONCURRENT ASSETS	7,020,414
	<hr/>
TOTAL ASSETS	9,699,518
	<hr/>
LIABILITIES:	
Current liabilities:	
Accounts payable	26,500
Unearned revenue	1,056,061
Bonds payable - due in one year	410,000
	<hr/>
TOTAL CURRENT LIABILITIES	1,492,561
	<hr/>
Noncurrent liabilities:	
Bonds payable - due in more than one year	3,785,000
Compensated absences	86,404
	<hr/>
TOTAL NONCURRENT LIABILITIES	3,871,404
	<hr/>
TOTAL LIABILITIES	5,363,965
	<hr/>
NET ASSETS:	
Invested in capital assets, net of related debt	2,825,414
Restricted:	
Retirement of debt	439,088
Endowments	763,975
Unrestricted	307,076
	<hr/>
TOTAL NET ASSETS	\$ 4,335,553
	<hr/>

**City of Marquette, Michigan
Peter White Public Library**

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2005

<u>Function / Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental Activities:				
Recreation and culture	\$ 1,776,905	\$ 206,374	\$ 373,650	\$ (1,196,881)
Interest on long-term debt	232,154	-	-	(232,154)
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 2,009,059</u>	<u>\$ 206,374</u>	<u>\$ 373,650</u>	<u>(1,429,035)</u>
		General revenues:		
		Property taxes		994,253
		Interest and investment earnings		86,154
		Miscellaneous		5,639
				<u>1,086,046</u>
				(342,989)
		Net assets, beginning of year		<u>4,678,542</u>
				<u>\$ 4,335,553</u>

**City of Marquette, Michigan
Peter White Public Library**

GOVERNMENTAL FUNDS

BALANCE SHEET

June 30, 2005

	General Fund	Carroll Paul Memorial Trust Fund	1997 Library Improvement Debt Fund	1998 Building Authority Debt Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 215,891	\$ 22,268	\$ 492	\$ 147,472	\$ 386,123
Investments	179,067	741,707	-	288,465	1,209,239
Taxes receivable, net	679,402	-	384,387	-	1,063,789
Accounts receivable, net	-	-	-	-	-
Prepaid expenditures	19,953	-	-	-	19,953
TOTAL ASSETS	\$ 1,094,313	\$ 763,975	\$ 384,879	\$ 435,937	\$ 2,679,104
LIABILITIES AND FUND BALANCE					
LIABILITIES:					
Accounts payable	\$ 26,500	\$ -	\$ -	\$ -	\$ 26,500
Unearned revenue	674,333	-	381,728	-	1,056,061
TOTAL LIABILITIES	700,833	-	381,728	-	1,082,561
FUND BALANCE:					
Reserved for:					
Retirement of debt	-	-	3,151	435,937	439,088
Endowments	-	763,975	-	-	763,975
Unreserved, reported in:					
General Fund	393,480	-	-	-	393,480
TOTAL FUND BALANCE	393,480	763,975	3,151	435,937	1,596,543
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,094,313	\$ 763,975	\$ 384,879	\$ 435,937	\$ 2,679,104

City of Marquette, Michigan
Peter White Public Library

RECONCILIATION OF THE GOVERNMENTAL FUNDS - BALANCE SHEET
TO THE STATEMENT OF NET ASSETS

June 30, 2005

Total Fund Balances for Governmental Funds	\$	1,596,543
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*Amounts reported for governmental activities in the statement
of net assets are different because:*

Capital assets used in governmental activities are not
financial resources and therefore are not reported in the funds

Cost of capital assets	11,195,268	
Accumulated depreciation	<u>(4,174,854)</u>	
		7,020,414

Long-term liabilities are not due and payable in the current
period and therefore are not reported in the funds:

Bonds payable	(4,195,000)	
Compensated absences	<u>(86,404)</u>	
		(4,281,404)

NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$	<u>4,335,553</u>
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**City of Marquette, Michigan
Peter White Public Library**

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Fiscal Year Ended June 30, 2005

	General Fund	Carroll Paul Memorial Trust Fund	1997 Library Improvement Debt Fund	1998 Building Authority Debt Fund	Total Governmental Funds
REVENUES:					
Property taxes	\$ 629,880	\$ -	\$ 364,373	\$ -	\$ 994,253
State sources	30,499	-	-	-	30,499
Local sources	297,275	-	-	-	297,275
Charges for services	43,393	-	-	-	43,393
Fines and forfeiture	135,932	-	-	-	135,932
Rentals	27,049	-	-	-	27,049
Contributions from private sources	42,323	-	-	3,553	45,876
Investment income	17,594	49,225	-	19,335	86,154
Other	5,639	-	-	-	5,639
TOTAL REVENUES	1,229,584	49,225	364,373	22,888	1,666,070
EXPENDITURES:					
Recreation and Culture:					
Personnel services	782,209	-	-	-	782,209
Supplies	64,294	-	-	-	64,294
Musical supplies and services	-	2,830	-	-	2,830
Other services and charges	316,276	2,239	-	-	318,515
Capital outlay	87,600	-	-	-	87,600
Debt service					
Principal retirement	-	-	180,000	205,000	385,000
Interest and fiscal charges	-	-	188,001	44,153	232,154
TOTAL EXPENDITURES	1,250,379	5,069	368,001	249,153	1,872,602
NET REVENUES OVER EXPENDITURES	(20,795)	44,156	(3,628)	(226,265)	(206,532)
OTHER FINANCING SOURCE (USES)					
Transfers In	19,785	-	-	-	19,785
Transfers (Out)	-	(19,785)	-	-	(19,785)
TOTAL OTHER FINANCING SOURCES (USES)	19,785	(19,785)	-	-	-
NET CHANGE IN FUND BALANCE	(1,010)	24,371	(3,628)	(226,265)	(206,532)
Fund balance, beginning of year	394,490	739,604	6,779	662,202	1,803,075
FUND BALANCE, END OF YEAR	\$ 393,480	\$ 763,975	\$ 3,151	\$ 435,937	\$ 1,596,543

**City of Marquette, Michigan
Peter White Public Library**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

For the Fiscal Year Ended June 30, 2005

Net Change in Fund Balances - Total Governmental Funds	\$ (206,532)
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*Amounts reported for governmental activities in the statement
of activities are different because:*

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital outlays	\$ -	
Depreciation expense	<u>(510,940)</u>	(510,940)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	385,000
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Some expenses such as accrued sick and vacation expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(10,517)
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CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u><u>\$ (342,989)</u></u>
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City of Marquette, Michigan
Nonmajor Component Units

COMBINING STATEMENT OF NET ASSETS

June 30, 2005

	<u>Downtown Development Authority</u>	<u>Marquette Housing Commission</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,186,482	\$ 396,651	\$ 1,583,133
Investments	-	366,550	366,550
Taxes receivable, net	308,003	-	308,003
Accounts receivable, net	4,831	4,386	9,217
Inventory	-	17,790	17,790
TOTAL CURRENT ASSETS	<u>1,499,316</u>	<u>785,377</u>	<u>2,284,693</u>
Noncurrent assets:			
Capital assets	1,847,003	10,192,339	12,039,342
Accumulated depreciation	(170,977)	(6,865,978)	(7,036,955)
TOTAL NONCURRENT ASSETS	<u>1,676,026</u>	<u>3,326,361</u>	<u>5,002,387</u>
TOTAL ASSETS	<u>3,175,342</u>	<u>4,111,738</u>	<u>7,287,080</u>
LIABILITIES:			
Current liabilities:			
Accounts payable	551,864	24,738	576,602
Accrued liabilities	2,951	126,676	129,627
Due to primary government	117,442	-	117,442
Unearned revenue	308,003	-	308,003
Bonds payable - due in one year	178,572	-	178,572
Notes payable - due in one year	11,637	-	11,637
Other current liabilities	-	-	-
TOTAL CURRENT LIABILITIES	<u>1,170,469</u>	<u>151,414</u>	<u>1,321,883</u>
Noncurrent liabilities:			
Bonds payable - due in more than one year	857,142	-	857,142
Notes payable - due in more than one year	6,039	-	6,039
Advance from primary government	29,158	-	29,158
Other noncurrent liabilities	-	35,941	35,941
TOTAL NONCURRENT LIABILITIES	<u>892,339</u>	<u>35,941</u>	<u>928,280</u>
TOTAL LIABILITIES	<u>2,062,808</u>	<u>187,355</u>	<u>2,250,163</u>
NET ASSETS:			
Invested in capital assets, net of related debt	622,636	3,326,361	3,948,997
Unrestricted	489,898	598,022	1,087,920
TOTAL NET ASSETS	<u>\$ 1,112,534</u>	<u>\$ 3,924,383</u>	<u>\$ 5,036,917</u>

City of Marquette, Michigan
Nonmajor Component Units

COMBINING STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2005

Function / Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Downtown Development Authority	Marquette Housing Commission	Total
Governmental Activities:						
Downtown Development Authority	\$ 346,074	\$ 97,615	\$ 64,970	\$ (183,489)	\$ -	\$ (183,489)
Business-type Activities:						
Marquette Housing Commission	1,741,903	503,971	1,116,686	-	(121,246)	(121,246)
TOTAL	\$ 2,087,977	\$ 601,586	\$ 1,181,656	(183,489)	(121,246)	(304,735)
General revenues:						
Property taxes				259,143	-	259,143
Interest and investment earnings				9,669	12,897	22,566
Miscellaneous				900	69,592	70,492
TOTAL GENERAL REVENUES				269,712	82,489	352,201
CHANGES IN NET ASSETS				86,223	(38,757)	47,466
Net assets, beginning of year				1,026,311	3,963,140	4,989,451
NET ASSETS, END OF YEAR				\$ 1,112,534	\$ 3,924,383	\$ 5,036,917

**City of Marquette, Michigan
Downtown Development Authority**

STATEMENT OF NET ASSETS

June 30, 2005

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 1,186,482
Taxes receivable, net	308,003
Accounts receivable, net	4,831
Other current assets	-
TOTAL CURRENT ASSETS	1,499,316
Noncurrent assets:	
Capital assets	1,847,003
Accumulated depreciation	(170,977)
TOTAL NONCURRENT ASSETS	1,676,026
TOTAL ASSETS	3,175,342
LIABILITIES:	
Current liabilities:	
Accounts payable	551,864
Accrued wages and related liabilities	2,951
Due to primary government	117,442
Unearned revenue	308,003
Bonds payable - due in one year	178,572
Notes payable - due in one year	11,637
Other current liabilities	-
TOTAL CURRENT LIABILITIES	1,170,469
Noncurrent liabilities:	
Bonds payable - due in more than one year	857,142
Notes payable - due in more than one year	6,039
Advance from primary government	29,158
TOTAL NONCURRENT LIABILITIES	892,339
TOTAL LIABILITIES	2,062,808
NET ASSETS:	
Invested in capital assets, net of related debt	622,636
Unrestricted	489,898
TOTAL NET ASSETS	\$ 1,112,534

**City of Marquette, Michigan
Downtown Development Authority**

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2005

Function / Programs	Expenses	Program Revenue		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
General government	\$ 172,608	\$ -	\$ 64,700	\$ (107,908)
Parking system	164,716	97,615	270	(66,831)
Interest on long-term debt	8,750	-	-	(8,750)
Other governmental	-	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	\$ 346,074	\$ 97,615	\$ 64,970	(183,489)
General revenues:				
				259,143
				9,669
				900
				<u>269,712</u>
				CHANGES IN NET ASSETS
				86,223
				<u>1,026,311</u>
				NET ASSETS, END OF YEAR
				<u>\$ 1,112,534</u>

**City of Marquette, Michigan
Downtown Development Authority**

GOVERNMENTAL FUNDS

BALANCE SHEET

June 30, 2005

	General Fund	Parking System Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 294,125	\$ 28,469	\$ 863,888	\$ -	\$ 1,186,482
Taxes receivable, net	308,003	-	-	-	308,003
Accounts receivable, net	-	4,831	-	-	4,831
Due from other funds	-	-	-	-	-
Due from primary government	-	-	-	-	-
Other assets	-	-	-	-	-
TOTAL ASSETS	\$ 602,128	\$ 33,300	\$ 863,888	\$ -	\$ 1,499,316
LIABILITIES AND FUND BALANCE					
LIABILITIES:					
Accounts payable	-	-	207,338	-	207,338
Accrued wages and related liabilities	2,951	-	-	-	2,951
Due to other funds	-	-	-	-	-
Due to primary government	461,968	-	-	-	461,968
Advance from primary government	29,158	-	-	-	29,158
Unearned revenue	308,003	-	-	-	308,003
Other liabilities	-	-	-	-	-
TOTAL LIABILITIES	802,080	-	207,338	-	1,009,418
FUND BALANCE:					
Reserved for:					
Retirement of debt	-	-	-	-	-
Capital projects	-	-	656,550	-	656,550
Unreserved, reported in:					
General Fund	(199,952)	-	-	-	(199,952)
Special Revenue Fund	-	33,300	-	-	33,300
TOTAL FUND BALANCE	(199,952)	33,300	656,550	-	489,898
TOTAL LIABILITIES & FUND BALANCE	\$ 602,128	\$ 33,300	\$ 863,888	\$ -	\$ 1,499,316

**City of Marquette, Michigan
Downtown Development Authority**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS - BALANCE SHEET
TO THE STATEMENT OF NET ASSETS**

June 30, 2005

Total Fund Balances for Governmental Funds	\$	489,898
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*Amounts reported for governmental activities in the statement
of net assets are different because:*

Capital assets used in governmental activities are not
financial resources and therefore are not reported in the funds

	Cost of capital assets	1,847,003	
	Accumulated depreciation	<u>(170,977)</u>	
			1,676,026

Long-term liabilities, including bonds payable, are not due
and payable in the current period and therefore are not
reported in the funds

(1,053,390)

NET ASSETS OF GOVERNMENTAL ACTIVITIES

\$ 1,112,534

City of Marquette, Michigan
Downtown Development Authority

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Fiscal Year Ended June 30, 2005

	General Fund	Parking System Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Property taxes	\$ 259,143	\$ -	\$ -	\$ -	\$ 259,143
State sources	9,700	-	-	-	9,700
Intergovernmental revenues	55,000	270	-	-	55,270
Charges for services	-	11,398	-	-	11,398
Rentals	-	86,217	-	-	86,217
Community development loans	-	-	-	-	-
Investment income	4,494	-	5,175	-	9,669
Other	900	-	-	-	900
TOTAL REVENUES	329,237	97,885	5,175	-	432,297
EXPENDITURES:					
Current operations:					
General government	80,835	-	21,799	-	102,634
Parking system	-	161,419	-	-	161,419
Capital outlay	238,087	4,815	428,686	-	671,588
Debt service					
Principal retirement	11,073	-	-	71,429	82,502
Interest and fiscal charges	1,500	-	-	7,250	8,750
TOTAL EXPENDITURES	331,495	166,234	450,485	78,679	1,026,893
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,258)	(68,349)	(445,310)	(78,679)	(594,596)
OTHER FINANCING SOURCES (USES):					
Issuance of debt	-	-	750,000	-	750,000
Transfers in	-	56,990	-	78,679	135,669
Transfers out	(135,669)	-	-	-	(135,669)
TOTAL OTHER FINANCING SOURCES (USES)	(135,669)	56,990	750,000	78,679	750,000
NET CHANGE IN FUND BALANCE	(137,927)	(11,359)	304,690	-	155,404
Fund balance, beginning of year	(62,025)	44,659	351,860	-	334,494
FUND BALANCE, END OF YEAR	\$ (199,952)	\$ 33,300	\$ 656,550	\$ -	\$ 489,898

**City of Marquette, Michigan
Downtown Development Authority**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

For the Fiscal Year Ended June 30, 2005

Net Change in Fund Balances - Total Governmental Funds	\$	155,404
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*Amounts reported for governmental activities in the statement
of activities are different because:*

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays	664,088	
Depreciation expense	<u>65,771</u>	598,317

Proceeds from debt issues are an other financing source in the funds, but a debt issue increases long-term liabilities in the statement of net assets.		(750,000)
--	--	-----------

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		82,502
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CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$	<u>86,223</u>
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**City of Marquette, Michigan
Marquette Housing Commission**

STATEMENT OF NET ASSETS

June 30, 2005

	<u>2005</u>
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 396,651
Accounts receivable, net	4,386
Investments	366,550
Inventory	<u>17,790</u>
TOTAL CURRENT ASSETS	<u>785,377</u>
Noncurrent Assets:	
Capital assets	10,192,339
Accumulated depreciation	<u>(6,865,978)</u>
TOTAL NONCURRENT ASSETS	<u>3,326,361</u>
TOTAL ASSETS	<u>4,111,738</u>
LIABILITIES	
Current Liabilities:	
Accounts payable	24,738
Accrued liabilities	<u>126,676</u>
TOTAL CURRENT LIABILITIES	<u>151,414</u>
Noncurrent Liabilities:	
Other	<u>35,941</u>
TOTAL NONCURRENT LIABILITIES	<u>35,941</u>
TOTAL LIABILITIES	<u>187,355</u>
NET ASSETS	
Invested in capital assets net of related debt	3,326,361
Unrestricted	<u>598,022</u>
TOTAL NET ASSETS	<u><u>\$ 3,924,383</u></u>

**City of Marquette, Michigan
Marquette Housing Commission**

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2005

<u>Function / Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>
		<u>Fees, Fines and Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Business-Type Activities</u>
Business-type Activities:				
Public Housing	\$ 1,741,903	\$ 503,971	\$ 1,116,686	\$ (121,246)
TOTAL	<u>\$ 1,741,903</u>	<u>\$ 503,971</u>	<u>\$ 1,116,686</u>	<u>(121,246)</u>
General revenues:				
				12,897
				69,592
				<u>82,489</u>
				<u>(38,757)</u>
				<u>3,963,140</u>
				<u>\$ 3,924,383</u>

**City of Marquette, Michigan
Marquette Housing Commission**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

For the Fiscal Year Ended June 30, 2005

	<u>2005</u>
OPERATING REVENUES:	
Tenant revenue	\$ 503,971
Program grants - subsidies	1,116,686
Other income	<u>69,903</u>
TOTAL OPERATING REVENUES	<u>1,690,560</u>
OPERATING EXPENSES:	
Administrative and general	366,806
Tenant services	3,085
Utilities	289,299
Maintenance	420,315
General	100,816
Housing assistance payments	153,453
Provision for depreciation	<u>408,129</u>
TOTAL OPERATING EXPENSES	<u>1,741,903</u>
LOSS FROM OPERATIONS	<u>(51,343)</u>
NONOPERATING REVENUES (EXPENSES):	
Investment income	12,897
(Loss) on sale of capital assets	<u>(311)</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>12,586</u>
CHANGE IN NET ASSETS	<u>(38,757)</u>
Net assets, beginning of year	<u>3,963,140</u>
NET ASSETS, END OF YEAR	<u><u>\$ 3,924,383</u></u>

**City of Marquette, Michigan
Marquette Housing Commission**

STATEMENT OF CASH FLOWS

For the Fiscal Year Ended June 30, 2005

	2005
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	\$ 516,007
Cash received from grants and subsidies	1,116,686
Cash payments to suppliers for goods and services	(556,822)
Cash payments for wages and related benefits	(759,472)
Payment in lieu of taxes	(10,722)
Other receipts	69,903
NET CASH PROVIDED BY OPERATING ACTIVITIES	375,580
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition of capital assets	(397,518)
NET CASH (USED) FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(397,518)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Investment income	12,897
Proceeds from investments	87,986
NET CASH PROVIDED BY INVESTING ACTIVITIES	100,883
NET INCREASE IN CASH AND CASH EQUIVALENTS	78,945
Cash and cash equivalents, beginning of year	317,706
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 396,651
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating loss	\$ (51,343)
Adjustments to reconcile income to net cash provided by operating activities:	
Depreciation	408,129
Changes in assets and liabilities:	
Decrease in accounts receivable	12,036
Decrease in prepaid expenses	1,771
(Decrease) in accounts payable	(50,124)
Increase in accrued wages and related liabilities	46,511
Increase in other liabilities	8,600
NET ADJUSTMENTS	426,923
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 375,580

City of Marquette, Michigan

STATISTICAL INFORMATION

The following Statistical Information is presented to furnish the reader with the historical trend of the financial operations and condition of the City of Marquette.

This Statistical Information contains comprehensive data, frequently covering the last ten fiscal years, relating to the financial, economic, physical and societal characteristics of the City.

City of Marquette, Michigan

TABLE J

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTIONS (A)

LAST TEN FISCAL YEARS

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
General Government	\$ 4,206,488	\$ 3,658,309	\$ 3,352,136	\$ 4,019,929	\$ 4,473,871	\$ 4,327,289	\$ 4,566,586	\$ 3,336,036	\$ 2,928,666	\$ 3,143,230
Public Health and Safety	4,293,996	4,207,277	3,133,514	3,969,561	3,854,755	3,307,314	3,376,236	4,576,873	4,500,789	4,734,456
Highways, Streets and Bridges	2,883,489	2,731,951	3,350,155	4,245,187	3,826,384	4,748,300	7,215,054	5,660,485	5,040,055	10,503,706
Sanitation	1,131,383	1,136,841	743,064	760,419	964,944	961,665	942,994	1,188,362	1,144,322	1,516,946
Social Services	172,105	181,043	179,473	192,333	189,906	185,010	217,496	371,076	840,883	503,334
Recreation and Culture	1,636,627	1,402,413	1,271,127	1,533,890	983,256	1,142,973	1,364,479	1,353,954	1,159,649	1,316,150
Capital Outlay	1,268,738	1,215,166	1,881,450	646,227	1,434,054	413,537	536,311	251,007	274	69,390
Debt Service	822,965	760,064	692,320	721,295	368,281	633,678	426,866	485,220	481,845	484,231
TOTAL \$	16,415,791	\$ 15,293,064	\$ 14,603,239	\$ 16,088,841	\$ 16,097,451	\$ 15,719,766	\$ 18,646,022	\$ 17,223,013	\$ 16,096,283	\$ 22,271,413

(A) Includes General and Special Revenue Funds

TABLE 2

City of Marquette, Michigan

GENERAL REVENUES BY SOURCES (A)

LAST TEN FISCAL YEARS

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Property Taxes	\$ 4,906,682	\$ 5,093,363	\$ 5,222,963	\$ 5,337,013	\$ 5,637,496	\$ 5,731,848	\$ 5,653,404	\$ 5,801,421	\$ 5,955,861	\$ 6,305,971
Payments in lieu of property taxes	1,953,100	1,916,196	1,977,503	2,096,223	2,134,757	2,110,643	2,100,334	2,085,024	2,027,879	2,053,758
State and Federal sources	4,627,112	4,573,319	4,537,938	5,002,412	4,616,701	5,254,885	5,915,467	5,367,545	5,012,952	4,252,731
Intergovernmental revenue	68,448	75,999	74,965	92,247	79,759	112,827	132,768	134,616	156,009	128,399
Licenses and permits	17,147	15,984	15,346	19,042	17,949	18,552	17,779	17,069	18,543	36,243
Charges for services	2,317,034	2,460,689	2,023,314	2,003,932	2,077,295	2,152,686	2,311,854	2,410,279	3,091,139	4,060,366
Sales	185,301	171,668	174,368	178,356	142,009	143,853	172,578	183,290	176,336	166,466
Use and admission fees	523,490	525,185	496,914	534,937	528,473	490,420	446,142	502,252	496,419	592,834
Fines and forfeits	130,459	116,887	129,537	113,240	117,874	118,463	139,794	138,538	136,538	137,572
Rentals	193,209	209,286	207,545	214,773	142,818	172,114	125,639	120,937	123,816	126,317
Special assessments	92,383	80,029	86,117	72,095	22,584	209,115	92,978	104,534	66,143	63,506
Sale of assets	163,072	77,821	101,783	103,934	4,409	3,106	14,134	68,464	3,743	11,721
Contribution from private sources	50,031	32,967	47,959	65,690	29,043	45,500	94,829	95,321	21,500	21,915
Reimbursements	50,871	42,167	13,453	9,234	7,838	27,545	30,575	20,580	20,433	40,090
Investment income	303,678	324,226	383,220	310,245	309,371	775,369	736,734	255,826	(128,122)	21,945
Other revenue	33,511	59,666	14,959	219,409	523,321	30,232	17,141	63,912	117,391	53,029
TOTAL	\$ 15,615,528	\$ 15,775,452	\$ 15,507,884	\$ 16,372,782	\$ 16,391,697	\$ 17,397,158	\$ 18,002,150	\$ 17,369,608	\$ 17,296,580	\$ 18,072,863

(A) Includes General and Special Revenue Funds

* General Fund only

City of Marquette, Michigan

TABLE 3

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent Total Tax Collections To Tax Levy	Outstanding Delinquent Taxes	Percent Delinquent Taxes to Tax Levy
(A) (B)	1996 \$ 5,137,881	\$ 5,131,459	99.88%	\$ 6,907	\$ 5,138,366	100.01%	\$ 33,189	0.6%
	1997 5,316,031	5,306,018	99.81%	9,903	5,315,921	99.99%	32,352	0.6%
	1998 5,478,127	5,463,511	99.73%	10,965	5,474,476	99.93%	48,681	0.9%
(C)	1999 5,989,211	5,987,933	99.98%	44,673	6,032,606	100.72%	40,497	0.7%
	2000 6,295,517	6,295,517	100.00%	6,590	6,302,107	100.10%	30,421	0.5%
	2001 6,299,792	6,299,792	100.00%	9,455	6,309,247	100.15%	36,972	0.6%
	2002 6,550,764	6,550,764	100.00%	20,482	6,571,246	100.31%	28,250	0.4%
	2003 6,741,644	6,741,644	100.00%	7,616	6,749,260	100.11%	31,802	0.5%
	2004 6,903,752	6,903,752	100.00%	15,704	6,919,456	100.23%	35,914	0.5%
	2005 7,259,943	7,259,943	100.00%	5,722	7,265,665	100.08%	35,332	0.5%

(A) Beginning in Fiscal Year 1979 County sold bonds each year to pay local units 100% of real property taxes.

(B) Beginning in Fiscal Year 1983 County began charging back for unpaid real estate taxes.

(C) Beginning in Fiscal Year 1999 County stopped charging back for unpaid real estate taxes.

City of Marquette, Michigan

TABLE 4

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

Fiscal Year	Real Property		Personal Property		% Ratio	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	R=Real	P=Personal
1996	\$ 330,919,598	\$ 661,839,196	\$ 22,349,600	\$ 44,699,200	50.00	50.00
1997	340,416,619 *	680,833,238	23,624,400 *	47,248,800	50.00	50.00
1998	348,446,969 *	696,893,938	24,756,800 *	49,513,600	50.00	50.00
1999	356,054,645 *	712,109,290	25,304,600 *	50,609,200	50.00	50.00
2000	365,855,355 *	731,710,710	27,928,400 *	55,856,800	50.00	50.00
2001	376,722,174 *	753,444,348	32,749,200 *	65,498,400	50.00	50.00
2002	394,537,239 *	789,074,478	28,186,700 *	56,373,400	50.00	50.00
2003	402,280,442 *	804,560,884	31,981,100 *	63,962,200	50.00	50.00
2004	420,637,497 *	841,274,994	34,597,300 *	69,194,600	50.00	50.00
2005	441,697,885 *	883,395,770	35,525,800 *	71,051,600	50.00	50.00

* Taxable value

City of Marquette, Michigan

TABLE 5

PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS

(PER \$1,000 OF ASSESSED VALUE)

LAST TEN FISCAL YEARS

Fiscal Year	City of Marquette, Michigan				(A) Marquette Area Public School District	(B) County of Marquette	Total
	General Fund	Library Fund	Debt Service Funds	Total			
1996	13.630	1.418	-	15.048	10.480	10.597	36.125
1997	13.630	1.418	-	15.048	10.100	9.816	33.964
1998	13.630	1.418	-	15.048	8.600	9.816	33.464
1999	13.630	1.418	1.000	16.048	8.600	9.816	34.464
2000	14.130	1.418	0.960	16.508	8.600	9.816	34.924
2001	13.630	1.418	0.950	15.998	8.600	9.792	34.390
2002	13.630	1.418	0.950	15.998	8.600	9.792	34.390
2003	13.630	1.418	0.900	15.948	7.800	9.777	33.525
2004	13.630	1.418	0.850	15.898	6.600	9.703	33.201
2005	13.710	1.418	0.820	15.948	7.600	9.762	33.310

(A) Includes Debt Service

(B) Includes Intermediate School District, Special Education, County Wide Transit and County Medical Facility.

City of Marquette, Michigan

TABLE 6

SPECIAL ASSESSMENT COLLECTIONS

LAST TEN FISCAL YEARS

Fiscal Year	Current Assessments Billed	Current Assessments Due (A)	Ratio of Collections To Amount Due	Total Outstanding Assessments
1996	\$ 111,575	\$ 111,575	100.00	\$ 262,306
1997	98,774	98,774	100.00	173,236
1998	86,619	86,619	100.00	123,457
1999	64,859	64,859	100.00	79,183
2000	28,134	28,134	100.00	454,199
2001	66,545	66,545	100.00	534,790
2002	107,359	107,359	100.00	442,037
2003	103,226	103,226	100.00	335,122
2004	87,129	87,129	100.00	270,414
2005	63,276	63,276	100.00	460,349

(A) County of Marquette purchases delinquent special assessments along with delinquent real property taxes.

City of Marquette, Michigan

TABLE 7

RATIO OF NET GENERAL BONDED DEBT

TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA

LAST TEN FISCAL YEARS

Fiscal Year	Population	Assessed Value	Gross Bonded Debt	Debt Payable From Enterprise Revenues	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1996	22,196	\$ 353,269,198	\$ 1,284,006	\$ 1,284,006	-	0%	-
1997	22,196	364,041,019	1,219,234	1,219,234	-	0%	-
1998	22,196	373,203,769	1,150,652	1,150,652	-	0%	-
1999	19,147	381,359,245	1,114,233	1,114,233	-	0%	-
2000	19,634	393,783,755	1,019,806	1,019,806	-	0%	-
2001	19,661	409,471,374	921,603	921,603	-	0%	-
2002	20,714	422,723,939	819,622	819,622	-	0%	-
2003	20,547	434,261,542	713,864	713,864	-	0%	-
2004	20,704	455,234,797	600,553	600,553	-	0%	-
2005	20,664	477,223,685	483,464	483,464	-	0%	-

City of Marquette, Michigan

TABLE 8

COMPUTATION OF LEGAL DEBT MARGIN

June 30, 2005

Total Assessed Value		<u>\$ 477,223,685</u>
Debt limit - 10 percent of total assessed value		\$ 47,722,369
Amount of debt applicable to debt limit:		
Total bonded debt and long-term contracts (including special assessment bonds)	\$ 20,658,944	
Less:		
Deductions allowed by law:		
Special assessment bonds	<u>-</u>	
Total amount of debt applicable to debt limit		<u>20,658,944</u>
	LEGAL DEBT MARGIN	<u>\$ 27,063,425</u>

City of Marquette, Michigan

TABLE 9

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

June 30, 2005

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable To City of Marquette</u>	<u>Amount Applicable To City of Marquette</u>
City of Marquette	\$ 20,658,944	88.26% (A)	\$ 18,233,944
County School District	10,445,947	68.91%	7,198,372
County of Marquette	3,540,000	13.66%	<u>483,464</u>
		TOTAL	<u><u>\$25,915,780</u></u>

(A) The City portion of direct debt excludes debt issues not being paid by taxes, specifically the 1998 Building Authority Bonds – Lakeview Arena, 1998 Building Authority Bonds – Library and the Transportation Bonds.

City of Marquette, Michigan

TABLE 10

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES

FOR GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES

LAST TEN FISCAL YEARS

Fiscal Year	Principal	Interest	Total Debt Service	Total General Expenditures	Ratio of Debt Service to Total General Expenditures
1996	\$ 150,000	\$ 371,572	\$ 521,572	\$ 16,415,791	3.2
1997	150,000	361,355	511,355	15,293,064	3.3
1998	160,000	350,410	510,410	14,603,239	3.5
1999	320,000	285,553	605,553	16,088,841	3.8
2000	310,000	303,521	613,521	16,097,451	3.8
2001	320,000	284,523	604,523	15,719,766	3.8
2002	240,000	268,708	508,708	18,646,022	2.7
2003	250,000	258,988	508,988	17,223,013	3.0
2004	260,000	247,616	507,616	16,096,283	3.2
2005	430,000	570,683	1,000,683	22,271,443	4.5

City of Marquette, Michigan

TABLE 11

REVENUE BOND COVERAGE - WATER SUPPLY AND SEWAGE DISPOSAL BONDS

LAST TEN FISCAL YEARS

Fiscal Year	Gross Revenue (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			
				Principal	Interest	Total	Coverage
1996	\$ 5,981,057	\$ 4,064,755	\$ 1,916,302	\$ 130,000	\$ 227,183	\$ 357,183	5.37
1997	6,249,542	3,990,562	2,258,980	140,000	524,149	664,149	3.40
1998	6,481,627	4,044,177	2,437,450	260,000	487,083	747,083	3.26
1999	6,616,857	4,450,133	2,166,724	285,000	472,163	757,163	2.86
2000	6,574,762	4,620,270	1,954,492	410,000	455,881	865,881	2.26
2001	6,049,251	4,950,437	1,098,814	440,000	433,023	873,023	1.26
2002	5,824,445	4,855,728	968,717	460,000	408,551	868,551	1.12
2003	6,004,114	4,966,469	1,037,645	485,000	380,898	865,898	1.20
2004	5,885,421	5,155,256	730,165	125,000	282,576	407,576	1.79
2005	5,898,264	5,610,137	288,127	630,000	185,565	815,565	0.35

(1) Total operating revenues including interest.

(2) Total operating expenses including depreciation and excluding interest on bonds and amortization.

City of Marquette, Michigan

TABLE 12

REVENUE BOND COVERAGE - MARINA BONDS

LAST TEN FISCAL YEARS

Fiscal Year	Gross Revenue *	Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1996	\$ 176,296	\$ 246,200	\$ (69,904)	\$ -	\$ 55,828	\$ 55,828	(1.25)
1997	182,055	251,935	(69,880)	-	55,828	55,828	(1.25)
1998	198,884	263,458	(64,574)	-	55,828	55,828	(1.16)
1999	211,548	266,986	(55,438)	45,000	54,770	99,770	(0.56)
2000	244,170	261,038	(16,868)	45,000	52,610	97,610	(0.17)
2001	278,081	372,188	(94,107)	45,000	50,371	95,371	(0.99)
2002	610,856	298,055	312,801	50,000	47,936	97,936	3.19
2003	238,680	340,892	(102,212)	50,000	44,842	94,842	(1.08)
2004	254,110	381,534	(127,424)	55,000	33,883	88,883	(1.43)
2005	264,061	337,750	(73,689)	70,000	19,300	89,300	(0.83)

* Total operating revenues include interest and an operating grant.

City of Marquette, Michigan

TABLE 13

REVENUE BOND COVERAGE - STORMWATER UTILITY

LAST TEN FISCAL YEARS

Fiscal Year	Gross Revenue (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1996	\$ 979,529	\$ 262,338	\$ 717,191	\$ -	\$ 75,448	\$ 75,448	9.51
1997	1,059,320	236,320	823,000	-	129,340	129,340	6.36
1998	1,070,182	269,298	800,884	150,000	129,340	279,340	2.87
1999	873,227	300,301	572,926	155,000	123,190	278,190	2.06
2000	1,021,413	318,016	703,397	165,000	116,680	281,680	2.50
2001	875,726	350,192	525,534	175,000	109,585	284,585	1.85
2002	751,114	435,175	315,939	185,000	101,885	286,885	1.10
2003	744,630	833,054	(88,424)	195,000	93,560	288,560	(0.31)
2004	716,049	608,570	107,479	205,000	83,843	288,843	0.37
2005	697,959	607,499	90,460	230,000	64,635	294,635	0.31

(1) Total operating revenue including interest and excluding grants.

(2) Total operating expenses including depreciation and excluding interest on bonds.

City of Marquette, Michigan

TABLE 14

REVENUE BOND COVERAGE - ELECTRIC UTILITY

LAST TEN FISCAL YEARS

Fiscal Year	Gross Revenue (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1996	\$ 18,226,142	\$ 11,963,222	\$ 6,262,920	\$ 1,785,000	\$ 1,884,870	\$ 3,669,870	1.71
1997	18,058,421	11,340,208	6,718,213	1,825,000	1,799,190	3,624,190	1.85
1998	18,693,923	11,907,312	6,786,611	1,825,000	1,711,590	3,536,590	1.92
1999	20,594,729	12,005,104	8,589,625	2,530,000	1,623,990	4,153,990	2.07
2000	20,684,893	13,619,680	7,065,213	2,725,000	1,502,550	4,227,550	1.67
2001	21,959,339	14,269,046	7,690,293	2,850,000	1,371,750	4,221,750	1.82
2002	21,790,621	13,777,615	8,013,006	2,850,000 24,320,000 (3)	1,104,864	3,954,864	2.03
2003	25,474,342	17,496,805	7,977,537	2,675,000	604,628	3,279,628	2.43
2004	24,235,182	16,765,002	7,470,180	3,610,000	509,865	4,119,865	1.81
2005	25,251,067	19,958,521	5,292,546	3,805,000	349,050	4,154,050	1.27

(1) Total operating revenues including interest, and delayed payment fees beginning in 1997.

(2) Total operating expenses excluding depreciation and payment in lieu of taxes.

(3) 1993 Series Bond Issue - Called October 11, 2001.

City of Marquette, Michigan

TABLE 15

DEMOGRAPHIC STATISTICS

LAST TEN FISCAL YEARS

Fiscal Year	(A) Population	(A) Per Capita Income	(B) Median Age	(B & C) Educational Level in Years of Formal Schooling	(D) School Enrollment	(E) Unemployment Rate
1996	22,196	\$ 9,186	29.1	12.8	4,717	6.2%
1997	22,196	9,186	29.1	12.8	4,509	6.1
1998	22,196	9,186	29.1	12.8	4,425	4.8
1999	19,147	9,186	29.1	12.8	4,387	4.0
2000	19,634	20,894	29.1	12.8	4,221	4.7
2001	19,661	22,207	30.6	12.8	4,072	4.6
2002	20,714	22,526	30.6	12.8	3,894	6.0
2003	20,547	23,131	30.6	12.8	3,742	6.2
2004	20,704	23,131	30.6	12.8	3,660	5.1
2005	20,664	24,121	30.6	12.8	3,573	6.1

(A) Biannual estimates by the U.S. Bureau of Census based on actual count taken every ten years.

(B) U.S. Bureau of Census calculation based on actual figures taken every ten years.

(C) Person 25 and older.

(D) Information from Marquette-Alger Intermediate School District.

(E) Information from the Michigan Employment Security Commission.

City of Marquette, Michigan

TABLE 16

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS

LAST TEN FISCAL YEARS

Fiscal Year	Commercial Construction		Residential Construction		(A) Bank Deposits (in 1,000)	Property Value (B)		
	Number of Units	Value	Number of Units	Value		Commercial	Residential	Nontaxable
1996	12	\$ 3,304,000 *	25	\$ 2,830,000 *	\$ 267,043	\$ 151,941,000	\$ 353,947,200	\$ 530,000,000
1997	7	2,397,410 *	13	3,781,314 *	251,885	156,873,200	367,319,400	540,000,000
1998	5	2,017,800 *	20	3,577,600 *	286,208	160,834,000	387,741,800	550,000,000
1999	5	3,557,200 *	20	3,210,000 *	297,969	165,042,200	405,804,000	600,000,000
2000	8	5,633,208 *	14	3,288,600 *	277,340	175,199,200	422,472,800	630,000,000
2001	2	2,288,600 *	17	3,794,800 *	287,960	176,953,800	445,150,600	640,000,000
2002	9	1,984,425 *	3	3,182,400 *	298,005	181,304,526	464,986,000	654,000,000
2003	5	2,139,434 *	12	2,272,019 *	303,000	211,054,400	490,583,800	660,000,000
2004	12	3,333,755 *	20	3,791,299 *	300,000	249,595,096	518,825,918	670,000,000
2005	24	5,295,240	123	6,407,829	300,000	223,805,528	599,036,634	669,738,800

(A) Data obtained from main offices of banks with branches within the City of Marquette.

(B) Estimated actual value obtained from the City of Marquette Assessor's Department.

* Amounts taken from State Form L-4025. Includes all new construction (except reclassification).

City of Marquette, Michigan

TABLE 17

Principal Taxpayers

June 30, 2005

Taxpayer	Nature of Business	2005 Taxable Value	Percent of Tax Roll
WE Energies	Private Power Utility	\$ 95,794,700	20.07 %
Marquette Medical Dental Center	Medical Clinic/Offices	9,321,214	1.95
O'Dovero Properties	Real Estate/Construction	4,225,475	0.89
Tourville Inc.	Apartments	3,828,265	0.80
H.J. Larson & Associates, Inc.	Hotels/Restaurants	3,732,098	0.78
Shopko Stores, Inc.	Retail Sales	2,701,499	0.57
Wells Fargo	Bank	2,681,332	0.56
Marquette General Hospital	Assisted Living, Homes, Offices	2,282,474	0.48
Centrup Properties, LLC	Real Estate	2,067,115	0.43
Tourville North Apartments	Apartments	2,042,573	0.43
	TOTAL	<u>\$ 128,676,745</u>	<u>26.96 %</u>

City of Marquette, Michigan

TABLE 18

MISCELLANEOUS STATISTICS

June 30, 2005

Date of Incorporation	1871
Form of Government	Commission-Manager
Area	19.1 square miles
Miles of Streets	98
Number of street lights	2,358
Fire Protection	
Number of stations	2
Number of firemen and officers (exclusive of volunteers)	25
Police Protection	
Number of stations	1
Number of policemen and officers	35
Education (K-12)	
Attendance centers	7
Number of classrooms	237
Number of teachers	204
Number of students	3,573
Municipal Water Department	
Number of consumers	5,683
Average daily consumption	3.414MG
Miles of water mains	96.5
Sewers	
Sanitary sewers	93 miles
Storm sewers	59 miles
Recreation and culture	
Number of parks	19 with 688 acres
Community playfields	13 with 34.8 acres
Number of libraries	1
Number of volumes	195,406
Arena	2 sheets of ice
Trailer park facility	110 spaces, 40 acres
Maritime Museum	1
Community Center	1
Marina	2
Employees	
City:	
Classified service	174
Exempt	25
Board of Light and Power:	
Classified service	61
Exempt	20

City of Marquette, Michigan

TABLE 19

FIRE-POLICE RETIREMENT SYSTEM

REQUIRED SUPPLEMENTARY INFORMATION

REVENUES BY SOURCE AND EXPENSES BY TYPE

LAST TEN YEARS

Fiscal Year (A)	Revenues by Source				Employer Contribution As a Percentage of Covered Payroll	
	Employee Contribution	Employer Contribution	Investment Income	Total		
1996	\$ 120,704	\$ 207,560	\$ 1,213,883	\$ 1,542,147	9.28	%
1997	102,645	206,674	1,462,367	1,771,686	9.46	
1998	116,596	220,008	1,177,535	1,514,139	9.28	
1999	127,939	202,247	1,478,645	1,808,831	8.66	
2000	113,401	-	1,071,307	1,184,708	-	
2001	129,134	-	1,027,022	1,156,156	-	
2002	162,374	-	943,630	1,106,004	-	
2003	132,935	-	984,658	1,117,593	-	
2004	130,190	-	592,642	722,832	-	
2005	134,165	136,351	536,839	807,355	5.08	

Fiscal Year (A)	Expenses by Type			
	Benefits	Administrative Expenses	Refunds	Total
1996	\$ 687,190	\$ 523	\$ 189,758	\$ 877,471
1997	794,314	47,550	3,944	845,808
1998	834,682	71,645	23,230	929,557
1999	951,649	81,879	64,554	1,098,082
2000	991,179	70,429	-	1,061,608
2001	1,067,222	97,975	-	1,165,197
2002	1,150,410	101,643	-	1,252,053
2003	1,162,592	99,205	-	1,261,797
2004	1,235,591	102,747	-	1,338,338
2005	1,216,872	102,988	-	1,319,860

Contributions were made in accordance with actuarially determined contribution requirements.

(A) Actuarial valuation date was December 31, of the calendar year.



ANDERSON, TACKMAN & COMPANY, P.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS

JOHN W. BLEMBERG, CPA

ROBERT J. DOWNS, CPA, CVA

DANIEL E. BIANCHI, CPA

MICHIGAN
ESCANABA
IRON MOUNTAIN
KINROSS
MARQUETTE
WISCONSIN
GREEN BAY
MILWAUKEE

November 18, 2005

To the Honorable Mayor, Members of the
City Commission, and the City Manager
City of Marquette, Michigan 49855

In planning and performing our audit of the financial statements of the City of Marquette for the year ended June 30, 2005, we considered its internal accounting control structure for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure. The following comments are not reportable conditions as defined by the AICPA but are management points for which we feel consideration should also be given.

Instance of Noncompliance

Uniform Budgeting and Accounting Act (P.A. 621)

The State of Michigan has enacted Public Act 621, the Uniform Budgeting and Accounting Act, to provide for a system of uniform procedures for the preparation and execution of budgets in local units of government. The purpose of P.A. 621 is to require that all local units of government adopt balanced budgets, to establish responsibilities and define the procedure for the preparation, adoption and maintenance of the budget, and to require certain information for the budget process, including data for capital construction projects. The major provisions of P.A. 621 are as follows:

1. Local Units of government must adopt a budget.
2. The budget, including accrued deficits and available unappropriated surpluses, must be balanced.
3. The budget must be amended when necessary.
4. Debt shall not be entered into unless the debt is permitted by law.
5. Expenditures shall not be incurred in excess of the amount appropriated.
6. Expenditures shall not be made unless authorized in the budget.
7. Violations of the act, disclosed in an audit of the financial records, in the absence of reasonable procedures shall be filed with the State Treasurer and reported to the Attorney General.

In the following instances, the City was found to be in violation of the legal and contractual provisions of Public Act 621. Excesses of expenditures over appropriations in certain individual funds were enumerated upon in Footnote S of the financial statements.

• • • • •

The above suggestions for improvements in the internal control structure are noted for your consideration. The following comments are management points for which we feel consideration should also be given.

GASB No. 34 Implementation of Infrastructure Reporting

The Governmental Accounting Standards Board Statement No. 34 "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments" allows the deferral of retroactive reporting of the infrastructure reporting provisions of the Statement until the fiscal year ended June 30, 2006. The City has reported current year additions to infrastructure in the financial statements but has elected to defer the retroactive reporting of infrastructure until the necessary data can be assembled. We recommend the City's Finance and Engineering staff work to develop an inventory of City streets, sidewalks and bridges placed in service since 1980 including estimates of historical cost and accumulated depreciation by individual asset.

GASB No. 45 Other Postemployment Benefits

The Governmental Accounting Standards Board has recently released Statement No. 45, *Accounting and Reporting by Employers for Postemployment Benefits Other Than Pensions*. The new pronouncement provides guidance for local units of government in recognizing the cost of retiree health care, as well as any "other" postemployment benefits (other than pensions). The new rules will cause the government-wide financial statements to recognize the cost of providing retiree health care coverage over the working life of the employee, rather than at the time the health care premiums are paid. The new pronouncement is effective for the City's year ending June 30, 2009.

• • • • •

This report is intended solely for the information and use of the City's management, and others within the City Administration.

We appreciate and would like to thank the City's staff for the cooperation and courtesy extended to us during our audit. We would be pleased to discuss any comments or answer any questions regarding our audit with you at your convenience.

Anderson, Tackman & Company, PLC
Certified Public Accountants

CITY OF MARQUETTE, MICHIGAN

FEDERAL FINANCIAL ASSISTANCE
For the Year Ended June 30, 2005

TABLE OF CONTENTS

Report on Compliance and Other Matters and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	3-4
Report on Compliance with Requirements Applicable to each Major Program and Internal Control Over compliance in Accordance with OMB Circular A-133.....	5-6
Schedule of Expenditures of Federal Awards	7
Notes to Schedule of Expenditures of Federal Awards	8
Schedule of Findings and Questioned Costs	9
Schedule of Prior Year Findings & Questioned Costs	10



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REPORT ON COMPLIANCE AND OTHER MATTERS AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor, Members of the
City Commission and City Manager
City of Marquette, Michigan

We have audited the financial statements of the governmental activities, business-type activities, discretely presented component units, major funds, and remaining fund information, which collectively comprise the basic financial statements of the City of Marquette, Michigan as of and for the year ended June 30, 2005, and have issued our report thereon November 18, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. We did not audit the financial statements of the Board of Light and Power, a component unit of the City. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Board of Light and Power was based solely on the report of other auditors.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Marquette's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance and other matters that are required to be reported under *Government Auditing Standards* which are described in Note S of the financial statements.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Marquette's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Honorable Mayor, Members of the
City Commission and City Manager
City of Marquette, Michigan

We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, others within the organization, the City Commission, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Anderson, Tackman & Company, PLC
Certified Public Accountants

November 18, 2005



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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Honorable Mayor, Members of the
City Commission and City Manager
City of Marquette, Michigan

Compliance

We have audited the compliance of the City of Marquette, Michigan with types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005. The City of Marquette's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of City of Marquette's management. Our responsibility is to express an opinion on City of Marquette's compliance based on our audit.

The City of Marquette, Michigan's financial statements include the operations of the Marquette Housing Commission, a discretely presented component unit, which expended \$1,116,686 in federal awards which is not included in the City of Marquette, Michigan's schedule during the year ended June 30, 2005. Our audit, described below, did not include the operations of the Marquette Housing Commission because this component unit obtained a separate audit performed in accordance with OMB Circular A-133 to satisfy the U.S. Department of Housing and Urban Development audit requirements.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Marquette's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Marquette's compliance with those requirements.

In our opinion, the City of Marquette complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.

Honorable Mayor, Members of the
City Commission and City Manager
City of Marquette, Michigan

Internal Control Over Compliance

The management of the City of Marquette is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Marquette's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the City of Marquette, Michigan, as of and for the year ended June 30, 2005, and have issued our report thereon dated November 18, 2005. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements of the City of Marquette. Such information has been subjected to the auditing procedures applied in the examination of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of management, others within the organization, the Commission and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Anderson, Tackman & Company, PLC
Certified Public Accountants

November 18, 2005

CITY OF MARQUETTE, MICHIGAN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2005

Federal Grantor/Pass Through Grantor Program Title	Federal CFDA Number	Project Number	Project Period	Award Amount	Federal Expenditures
ENVIRONMENTAL PROTECTION AGENCY:					
Passed Through Michigan Department of Environmental Quality					
State Revolving Fund Loan	66 456	521801	11/15/02-6/30/05	3,470,000	\$ 725,924
Marquette Riparian Corridor Project	66 460	2002-0029	03/20/03-03/31/05	54,677	54,677
TOTAL ENVIRONMENTAL PROTECTION AGENCY					<u>780,601</u>
U.S. DEPARTMENT OF JUSTICE					
Passed through Michigan Department of Community Health - Office of Drug Control Policy and the Michigan State Police					
Byrne Memorial Formula Grant Funding	16 579	OCJ-70768-703B	10/01/03-09/30/04	35,475	13,705
Byrne Memorial Formula Grant Funding	16 579	OCJ-70768-804B	10/01/04-09/30/05	32,767	16,417
					<u>30,122</u>
Passed through Michigan Office of Drug Control Policy					
Local Law Enforcement Block Grant - Police Computer Forensic Lab	16 592	20051438	10/01/04-09/30/05	10,000	9,668
TOTAL U.S. DEPARTMENT OF JUSTICE					<u>39,790</u>
U.S. DEPARTMENT OF TRANSPORTATION:					
Passed through Michigan Office of Highway Safety Planning					
Drive Michigan Safety Task Force	20 600	PT-05-16	11/17/04-09/30/05	22,912	13,168
Drive Michigan Safety Task Force	20 600	PT-04-22	10/01/03-09/30/04	11,461	11,461
Challenge Award Grant	20 604	PT-04-40	04/19/04-09/30/04	4,978	4,978
TOTAL U.S. DEPARTMENT OF TRANSPORTATION					<u>29,607</u>
U.S. DEPARTMENT OF HOMELAND SECURITY:					
Direct Award					
Fire Safety Grant	97 044	EMW-2003-FG-0415	10/01/03-09/30/04	39,600	35,118
Fire Safety Grant	97 044	EMW-2004-FG-08746	10/01/04-09/30/05	19,460	18,116
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY					<u>53,234</u>
NATIONAL ENDOWMENT FOR THE ARTS:					
Passed through Michigan Council for Arts and Cultural Affairs					
Local Arts Agencies Services Grant	45 025	04SV0003ZZ	10/01/03-09/30/04	20,000	1,800
Local Arts Agencies Services Grant	45 025	05SV0003ZZ	10/01/04-09/30/05	20,400	1,800
TOTAL NATIONAL ENDOWMENT FOR THE ARTS					<u>3,600</u>
INSTITUTE OF MUSEUM & LIBRARY SERVICES:					
Passed through Library of Michigan:					
Library Services Technical Assistance Grant	45 310	134-03	10/01/03-09/30/04	1,500	500
U.S. DEPARTMENT OF COMMERCE					
NATIONAL OCEANIC ATMOSPHERIC ADMINISTRATION:					
Passed through the Michigan Department of Environmental Quality:					
Coastal Management Program Grant	11 419	04D-13 01	10/01/03-12/31/04	32,000	32,000
					<u>\$ 939,332</u>

CITY OF MARQUETTE, MICHIGAN
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2005

NOTE A - BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal awards includes the federal grant activity the City of Marquette, Michigan and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B - OVERSIGHT AGENCY:

The Environmental Protection Agency is the current year's oversight agency for the single audit as determined by the agency providing the largest share of the City of Marquette's federal financial assistance.

CITY OF MARQUETTE, MICHIGAN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2005

A. SUMMARY OF AUDIT RESULTS

Financial Statements

- The auditors' report expresses an unqualified opinion on the financial statements of the City of Marquette, Michigan.
- Internal control over financial reporting:
No material weaknesses were identified.
There were no reportable conditions reported.
- There were no noncompliance items material to the financial statements identified.

Federal Awards

- Internal control over major programs:
No material weaknesses were identified.
No reportable conditions not considered to be material weaknesses were identified.
- The auditors' report expresses an unqualified opinion on the compliance for major programs.
- There were no audit findings that are required to be reported in accordance with Circular A-133, Section .510(a).

Major Programs

- The program tested as a major program was the State Revolving Fund Loan C.F.D.A. #66.458.
- The threshold for distinguishing Types A and B programs was \$300,000.
- City of Marquette was determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None were noted.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARDS PROGRAM

None were noted.

CITY OF MARQUETTE, MICHIGAN
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2005

There were no prior year findings or questioned costs relating to the
City of Marquette, Michigan's major programs.